MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. 2295 Docket No. 6833

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits Feb. 1977
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 3/8/71
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [x] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No. 2: Maps ~~(Use pocket folder or envelope)~~ + Assays

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

Miss Wadsworth 223-4223

Mr. Day 293-3350

Rockville Md. 652-7748

72195-65

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OFFICIAL FILE COPY

Date	Surname	Code
11/3/72		120
		220

Mr. Rutherford Day
President
Bobcat Properties, Inc.
1730 M Street, N. W., Suite 606
Washington, D. C. 20036

NOV 3 1972

Re: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Dear Mr. Day:

We have reviewed the reply of September 18, 1972, by Barbara Wadsworth of your office to our questions regarding unsupported claims noted in the audit of the subject contract. A copy of the audit was given to you when you were in our office about June 30, 1972.

We are accepting the questioned claims as approved except for the item pertaining to sample bags which we described in detail in our letter to you dated June 14, 1972.

Accordingly, we are closing your account by approving release of $35.00 from the $200.00 withheld from payment on your October 1971 voucher. The details are as follows:

Costs questioned in audit report	$655.00	
Approval for payment reaffirmed	435.00	
Balance to be disallowed (sample bags)	$220.00	
Government's share at 75 percent	$165.00	
Payment withheld from Operator's voucher for October 1971		$200.00
Government's share of disallowance		165.00
Balance to be released to Operator		$ 35.00

Payment of $35.00 should be received by you in the very near future.

We sincerely regret that the work performed did not result in a certification of possible production under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. Upon payment of the amount mentioned above, we are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

We appreciate your interest and participation in the OME program.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region II
Branch of Financial Management
Mr. Kirkemo
130

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~~Gen~~
Kirkemo

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UNITED STATES
DEPARTMENT OF THE INTERIOR

Office of Survey and Review

Audit Operations

OFFICIAL
COPY
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Report of Review-Contract 2295
Docket No. OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Lincoln County, Nevada

Washington, D.C.
February 1972

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

APR 26 1972

Memorandum

To: Director, Geological Survey

From: Regional Director, Region I

Subject: Review of Contract No. 2295
Docket No. OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Lincoln County, Nevada

As requested by the Chief, Office of Minerals Exploration, we made a cost review of Contract No. 2295. The results of our review are shown in the attached report.

C. D. Baer

Attachment

We reviewed the contract files of the Office of Minerals Exploration (OME) pertaining to the Minerals Exploration Contract No. 2295 with Bobcat Properties, Inc. (Operator) made under Public Law 85-701; the related disbursement records in the Branch of Budget and Finance, Administrative Division, Geological Survey; and the files maintained by the Operator. The review was made during January and February 1972 at Washington, D.C.

The contract was awarded on April 27, 1971, with work to begin on or about April 28, 1971, and to be completed within six (6) months from the date of the contract. The maximum allowable cost was $40,000, with OME participation on a 75-percent basis or for a sum not in excess of $30,000.

The purpose of the project was to explore by rotary drilling from prepared surface sites for gold- and silver-bearing ore in a silicified breccia zone in dolomite of Ordovician age.

Repayment of disbursed Federal funds plus interest at 8 percent was to be paid on the basis of established royalties of all minerals and metals produced from the land during the exploratory operation and for a period of 10 years from the date of the contract should a certification of possible production be made by OME.

By mutual agreement, this contract was terminated effective December 2, 1971. Both the Field Officer, OME, Region II, and the Operator agreed that the results of drilling completed through October 10, 1971, were disappointing and do not warrant continuation of the project.

One interim field inspection was made prior to the start of drilling, and a final inspection was made after the contract was terminated. Four (4) vouchers submitted by the Operator were approved by the OME Region II Office.

During our review we made the following observations:

Questioned Costs

The following items were not supported as claimed.

1.	Supervisor-Engineer - June salary	$ 25
2.	Supervisor-Engineer - June mileage	12
3.	Freighting and handling	69
4.	Sample bags or containers	250
5.	Office and accounting	299
	Total Questioned	655

1. For the period June 12-15, the Supervisor-Engineer claimed $25 for "Preparing Jean Lee Claim Map." The Operator informed us this was not OME contract work; therefore, we are questioning the cost.

2. For the same period, the Supervisor-Engineer claimed and was paid for 100 miles. The Operator, however, billed and received from OME $24 for 200 miles at $0.12 a mile. We, therefore, are questioning 100 miles at $0.12 a mile, or $12.

3. and 4. When reviewing the Operator's files we were unable to find any support for Freighting and handling or Sample bags or containers. The Operator stated these were paid in cash but that he had no receipts. Article 5 of Contract 2295 states " ... the Operator's Monthly Voucher shall be supported by documentary evidence ... for all costs claimed under Article 6(a)(1).)." We, therefore, question these costs because they lack documentary evidence as required.

5. For four (4) different months the Operator claimed $100 for Office and accounting expense. The documents submitted support $101 for office type expenses incurred by the Supervisor-Engineer. The Operator informed us that the remainder of the expenses were for his telephone, rent and secretary, He only showed us telephone bills, but we were unable to determine if they applied to the contract as they were included with his normal business calls. Therefore, we question the unsupported part of $299.

Operator's Records and Accounts

The Operator did not maintain any accounting records to record the expenses incurred under the contract. An incomplete file was maintained which included notes transmitting checks, some copies of invoices, notes regarding late payments, and some other correspondence in regard to the contract.

Payments were made from three different personal bank accounts of its President. The checks were identified by memo note - Bobcat Properties.

It was observed, and confirmed by the Operator's President, that many of the Operator's bills were not paid until after reimbursement was received from OME. In some instances the Operator paid one-quarter of the bill, the bill less the 75-percent OME participation, before he was reimbursed by OME.

Both of these are in conflict with Article 5 of Contract 2295, which requires: 1) "The Operator shall keep suitable records and accounts..."; and 2) "Operator's Monthly Voucher claiming costs for work performed" (emphasis provided). The Federal Procurement Regulations 41 CFR Part 1-30.509-4 defines "'costs' include 'incurred costs' when the contractor is not delinquent in payment of costs of contract performance in the ordinary course of business."

UNITED STATES
DEPARTMENT OF THE INTERIOR

Office of Survey and Review

Audit Operations

Report of Review Contract 2295
Docket No. OME-6833 (Gold-Silver)
Bobcat ~~Indust Pros~~ Properties, Inc.
Lincoln County, Nevada

DRAFT

Washington, D.C.
February 197~~1~~2

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Memorandum

To: Director, Geological Survey

From: Regional Director, Region I

Subject: Review of Contract No. 2295
Docket No. OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Lincoln County, Nevada

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Repayment of disbursed Federal funds plus interest at 8 percent ~~is~~ was to be paid on the basis of established royalties of all minerals and metals produced from the land during the exploratory operation and for a period of 10 years from the date of the contract should a certification of possible production be made by OME.

By mutual agreement, this contract was terminated effective December 2, 1971. Both the Field Officer, OME, Region II, and the Operator agreed that the results of drilling completed through October 10, 1971, were disappointing and do not warrant continuation of the project.

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~~Only~~ one interim field inspection was made prior to the start of drilling, ~~was made.~~ and a final inspection was made after drilling was completed. Four (4) vouchers submitted by the Operator were approved by the OME Region II Office.

During our review we made the following observations:

Questioned Costs (see comments on accompanying memorandum)

The following items were not supported as claimed.

1.	Supervisor-Engineer - June salary	$ 25
2.	Supervisor-Engineer - June mileage	12
3.	Freighting and handling	69
4.	Sample bags or containers	250
5.	Office and accounting	299
	Total Questioned	655

reaffirm approval of payment

disallow $250, approve $250

reaffirm approval of payment

reaffirm approval of (1) and (2), disallow approval of 3 and 4.

1. For the period June 12-15, the Supervisor-Engineer claimed $25 for "Preparing Jean Lee Claim Map." The Operator informed us this was not OME contract work; therefore, we are questioning the cost.

2. For the same period, the Supervisor-Engineer claimed and was paid for 100 miles. The Operator, however, billed and received from OME $24 for 200 miles at $0.12 a mile. We, therefore, are questioning 100 miles at $0.12 a mile, or $12.

3. and 4. When reviewing the Operator's files we were unable to find any support for Freighting and handling or Sample bags or containers. The Operator stated these were paid in cash but that he had no receipts. Article 5 of Contract 2295 states " ... the Operator's Monthly Voucher shall be supported by documentary evidence ... for all costs claimed under Article 6(a)(1).)." We, therefore, question these costs because they lack documentary evidence as required.

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5. For four (4) different months the Operator claimed $100 for Office and accounting expense. The documents submitted support $101 for office type expenses incurred by the Supervisor-Engineer. The Operator informed us that the remainder of the expenses were for his telephone, rent and secretary. He only showed us telephone bills, but we were unable to determine if they applied to the contract as they were included with his normal business calls. Therefore, we question the unsupported part of $299.

<u>Operator's Records and Accounts</u> (see comments on accompanying memorandum)

The Operator did not maintain any accounting records to record the expenses incurred under the contract. An incomplete file was maintained which included notes transmitting checks, some copies of invoices, notes regarding late payments, and some other correspondence in regard to the contract.

Payments were made from three different personal bank accounts of its President. The checks were identified by memo note - Bobcat Properties.

It was observed, and confirmed by the Operator's President, that many of the Operator's bills were not paid until after reimbursement was received from OME. In some instances the Operator paid one-quarter of the bill, the bill less the 75-percent OME participation, before he was reimbursed by OME.

Both of these are in conflict with Article 5 of contract 2295, which requires: 1) "The Operator shall keep suitable records and accounts..."; and 2) "Operator's Monthly Voucher claiming <u>costs</u> for work performed" (emphasis provided). The Federal Procurement Regulations Part 1-30.509-4 defines "'costs' include 'incurred costs' when the contractor is not delinquent in payment of costs of contract performance in the ordinary course of business."

Not cited in OME contract

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It is recommended that for any future contracts awarded to Bobcat Properties, Inc., or any other Operator, OME ascertain that there are records adequate to account for OME contract expenses and that the Operators generally pay bills "in the ordinary course of business." See comments

The units of work authorized, paid, and questioned under Contract No. 2295 are summarized on Exhibit I.

At the time of our review, $200 was being withheld from the last voucher pending receipt of the Operator's final report The report has been received but the $200 has not been released. pending audit.

Subject to the foregoing comments, the costs identified as approved by audit on Exhibit I are eleigible for OME participation at 75 percent in conformity with the provisions of the Act and the contract.

Regional Director

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Written comments would revise figures as noted in red

EXHIBIT I
Page 1 of 2

Summary of Contract Terms and Costs

Actual Costs	Authorized Amount	Costs ~~Paid~~ Accepted	(Questioned)	Approved by Audit	Unexpended Balance
Category (1) Independent Contracts					
Bulldozing access roads and drill sites, and restoring surface of land, 130 hours @ $15.00/hr.	$ 1,950	$ 1,755	$	$ 1,755	$ 195
Mobilization and demobilization	500	500		500	-0-
Rotary drilling, 5,000 feet @ $5.50/ft.	27,500	9,240		9,240	18,260
Casing lost in hole, 50 feet @ $3.00/ft.	150	-0-	—	-0-	150
Total Category (1)	30,100	11,495	-0-	11,495	18,605
Category (2) Personal Services					
1 Supervisor-Engineer, 3 months @ $1,000/mo.	3,000	2,450	~~(25)~~	2,450 ~~2,425~~	550 ~~575~~
1 Geologic Consultant, 10 days @ $125/day	1,250	875		875	375
1 Laborer, 360 hours @ $3.50/h4.	1,260	843	—	843	417
Total Category (2)	5,510	4,168	~~(25)~~ -0-	4,168 ~~4,143~~	1,342 ~~1,367~~
Category (7) Miscellaneous					
Per Diem, Geologic Consultant, 10 days @ $25/day	250	150		150	100
Transportation, Geol. Consultant, 3,000 miles @ $0.12/mi.	360	360		360	-0-

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Summary of Contract Terms and Costs

Actual Costs	Authorized Amount	Accrued Costs ~~Paid~~	(Questioned)	Approved by Audit	Unexpended Balance
Transportation Supervisor, including transportation of samples from property to freight office, 2,000 miles @ $0.12/mi.	$ 240	$ 316	~~$(12)~~	$ 316 ~~304~~	$ (76) ~~(64)~~
Office and Accounting expense, including incidental costs and report preparation	400	400	~~(299)~~	400 ~~101~~	-0- ~~299~~
Payroll taxes, FICA, insurance	640	95		95	545
Assaying for gold and silver, 500 samples @ $4.00/sample	2,000	483		483	1,517
Freighting and handling samples, 500 samples @ $0.50/sample	250	69	~~(69)~~	69 ~~-0-~~	181 ~~250~~
Sample bags or containers, 500 @ $0.50/each	250	250	(220) ~~(250)~~	30 ~~-0-~~	220 ~~250~~
Total Category (7)	4,390	2,123	(220) ~~(630)~~	1,903 ~~1,493~~	2,487 ~~2,897~~
Total Estimated Cost of Project	40,000	17,786	(220) ~~(655)~~	17,566 ~~17,131~~	22,434 ~~22,869~~
Government Participation @ 75%	30,000	13,340 1/	(165) ~~(492)~~	13,175 ~~12,848~~	16,825 ~~17,152~~

1/ Withheld $200 pending receipt of final report.

DRAFT

UNITED STATES
DEPARTMENT OF THE INTERIOR

Office of Survey and Review

Audit Operations

Report of Review-Contract 2295
Docket No. OME-6833 (Gold-Silver)
Bobcat ~~Industries~~ Properties, Inc.
Lincoln County, Nevada

DRAFT

Washington, D.C.
February 1971

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Memorandum

To: Director, Geological Survey

From: Regional Director, Region I

Subject: Review of Contract No. 2295
Docket No. OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Lincoln County, Nevada

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Both of these are in conflict with Article 5 of contract 2295, which requires: 1) "The Operator shall keep suitable records and accounts..."; and 2) "Operator's Monthly Voucher claiming costs for work performed" (emphasis provided). The Federal Procurement Regulations Part 1-30.509-4 defines "'costs' include 'incurred costs' when the contractor is not delinquent in payment of costs of contract performance in the ordinary course of business."

It is recommended that for any future contracts awarded to Bobcat Properties, Inc., or any other Operator, OME ascertain that there are records adequate to account for OME contract expenses and that the Operators generally pay bills "in the ordinary course of business."

The units of work authorized, paid, and questioned under Contract No. 2295 are summarized on Exhibit I.

At the time of our review, $200 was being withheld from the last voucher pending receipt of the Operator's final report The report has been received but the $200 has not been released.

Subject to the foregoing comments, the costs identified as approved by audit on Exhibit I are eleigible for OME participation at 75 percent in conformity with the provisions of the Act and the contract.

Regional Director

DRAFT

Summary of Contract Terms and Costs

Actual Costs	Authorized Amount	Costs Paid	(Questioned)	Approved by Audit	Unexpended Balance
Category (1) Independent Contracts					
Bulldozing access roads and drill sites, and restoring surface of land, 130 hours @ $15.00/hr.	$ 1,950	$ 1,755	$	$ 1,755	$ 195
Mobilization and demobilization	500	500		500	-0-
Rotary drilling, 5,000 feet @ $5.50/ft.	27,500	9,240		9,240	18,260
Casing lost in hole, 50 feet @ $3.00/ft.	150	-0-	—	-0-	150
Total Category (1)	30,100	11,495	-0-	11,495	18,605
Category (2) Personal Services					
1 Supervisor-Engineer, 3 months @ $1,000/mo.	3,000	2,450	(25)	2,425	575
1 Geologic Consultant, 10 days @ $125/day	1,250	875		875	375
1 Laborer, 360 hours @ $3.50/h4.	1,260	843	—	843	417
Total Category (2)	5,510	4,168	(25)	4,143	1,367
Category (7) Miscellaneous					
Per Diem, Geologic Consultant, 10 days @ $25/day	250	150		150	100
Transportation, Geol. Consultant, 3,000 miles @ $0 12/mi.	360	360		360	-0-

DRAFT

Summary of Contract Terms and Costs

Actual Costs	Authorized Amount	Costs Paid	(Questioned)	Approved by Audit	Unexpended Balance
Transportation Supervisor, including transportation of samples from property to freight office, 2,000 miles @ $0.12/mi.	$ 240	$ 316	$(12)	$ 304	$ (64)
Office and Accounting expense, including incidental costs and report preparation	400	400	(299)	101	299
Payroll taxes, FICA, insurance	640	95		95	545
Assaying for gold and silver, 500 samples @ $4.00/sample	2,000	483		483	1,517
Freighting and handling samples, 500 samples @ $0.50/sample	250	69	(69)	-0-	250
Sample bags or containers, 500 @ $0.50/each	250	250	(250)	-0-	250
Total Category (7)	4,390	2,123	(630)	1,493	2,897
Total Estimated Cost of Project	40,000	17,786	(655)	17,131	22,869
Government Participation @ 75%	30,000	13,340 1/	(492)	12,848	17,152

1/ Withheld $200 pending receipt of final report.

DRAFT

It is recommended that for any future contracts awarded to Bobcat Properties, Inc., or any other Operator, OME ascertain that there are records adequate to account for OME contract expenses and that the Operators generally pay bills "in the ordinary course of business."

The units of work authorized, paid, and questioned under Contract No. 2295 are summarized on Exhibit I.

At the time of our review, $200 was being withheld from the last voucher pending receipt of the Operator's final report. The report has been received but the $200 has not been released.

Subject to the foregoing comments, the costs identified as approved by audit on Exhibit I are eligible for OME participation at 75 percent in conformity with the provisions of the Act and the contract.

The Chief, Office of Minerals Exploration, on April 4, 1972, replied to a draft copy of this report. We have reviewed his comments, and find no additional information to change our opinion on the questioned costs of $655.

C. D. Baer

Regional Director

Summary of Contract Terms and Costs

Actual Costs	Authorized Amount	Costs Paid	(Questioned)	Approved by Audit	Unexpended Balance
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Mobilization and demobilization	500	500		500	-0-
Rotary drilling, 5,000 feet @ $5.50/ft.	27,500	9,240		9,240	18,260
Casing lost in hole, 50 feet @ $3.00/ft.	150	-0-		-0-	150
Total Category (1)	30,100	11,495	-0-	11,495	18,605
Category (2) Personal Services					
1 Supervisor-Engineer, 3 months @ $1,000/mo.	3,000	2,450	(25)	2,425	575
1 Geologic Consultant, 10 days @ $125/day	1,250	875		875	375
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Government Participation @ 75%	30,000	13,340 1/	(492)	12,848	17,152

1/ Payment Information:

Costs claimed	$13,340
Withheld	200
Contract Payments	13,140
Approved by audit	12,848
Overpayment	292

Government's copy

EXPLORATION CONTRACT
BOBCAT PROPERTIES, INC.
OME-6833

Termination Agreement

It is agreed this 2nd day of December, 1971, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and Bobcat Properties, Inc., hereinafter called the "Operator," parties to that certain Exploration Contract No. 2295 (OME-6833), dated April 27, 1971, hereafter called the "Contract" that:

1. Effective October 27, 1971, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs incurred prior to October 27, 1971.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report) of the work performed under the Contract, which shall include a geological and engineering evaluation of the results of the work performed under the Contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs thereof.

4. All rights of the Government provided for in the Contract with respect to a certification of possible production, royalty on production, and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of Contract except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

Bobcat Properties, Inc.

Bobcat Properties, Inc.

By Rutherford Perry, Pres.

Title President

THE UNITED STATES OF AMERICA

By Harold Kirbens

Chief, Office of Minerals Exploration
U. S. Geological Survey

Martin
Line
App'd S

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

November 29, 1971

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Justification for Termination Agreement

The purpose of this project was to explore by rotary drilling from the surface a possible extension of the gold and silver-bearing structure developed at the Atlanta mine. Total estimated cost of the contract was $40,000 with the Governments' share totalling $30,000.

Although the final voucher and final report on this project have not been received, the Field Officer reports that results of drilling completed through October 10, 1971 were disappointing and do not warrant continuation of the project. The Operator shares this opinion and has requested that the contract be terminated as of the date of expiration, October 27, 1971. I concur with the decision not to continue work on the project and to mutually terminate the contract.

Harold Kirkemo

Harold Kirkemo

cc: Director's reading file
Mineral resources
OME reading file
Mr. Kirkemo

HKirkemo/cac 11/29/71

Government's copy

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6833	Gold-Silver	2295	Lincoln	Nevada

It is agreed APR 27 1971 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Bobcat Properties, Inc.

whose mailing address is 1730 M Street, N. W., Suite 606, Washington, D. C. 20036 hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before April 28th, 1971 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 6 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ 40,000.00 . The Government will contribute ~~50~~ 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $ 30,000.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest at the rate of 8 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's right in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

SEE ANNEX I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

SEE ANNEX I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.-- The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of the same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article, or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retains his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract, or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or Producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provision.--

Executed in quadruplicate the day and year first above written.

BOBCAT PROPERTIES, INC.

(Operator)

By Rutherford Day

Title President

THE UNITED STATES OF AMERICA

By William M. Conroy

Assistant Director, U. S. Geological Survey
for Administration

Martin 4/19/71
Emerick
Kitsamo
Kilsgaard

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

EXPLORATION CONTRACT
BOBCAT PROPERTIES, INC.
OME-6833

ANNEX I

The land, including all rights thereto, referred to in Article 2 of the contract consists of eleven (11) patented lode mining claims and two (2) unpatented lode mining claims in Secs. 14 and 15, T. 7 N., R. 68 E., MDBM, Atlanta Mining District, Lincoln County, Nevada. These claims are shown on Figure 1, entitled "Property map showing location of proposed exploration at the Atlanta Mine, Lincoln County, Nevada," attached and made part hereof.

The patented lode mining claims are as follows:

Claim Name	U. S. Survey No.
Atlanta No. 1	3915
Atlanta No. 2	3915
Atlanta No. 3	3915
Atlanta Strip	3915
Atlanta Strip No. 1	3915
Atlanta Home	3915
Pactaolian Fraction	3915
Sparrow Hawk	3915
Hillside	3915
Belle	3915
Minnett and Hays No. 1	3290

The unpatented lode mining claims are recorded in the Recorder's Office at Pioche, County Seat of Lincoln County, Nevada, as follows:

Claim Name	Book	Page
Mid No. 1	Q-1	52
Mid No. 2	W-1	297

The Operator is in possession of the claims under the terms of a Mining Lease and Option to Purchase agreement, dated November 1, 1970, between The Golden Cycle Corporation, lessor and owner, and Bobcat Properties, Inc., lessee.

The Lien and Subordination Agreements executed by the owner of the above claims are attached and made a part hereof.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090– 2295
Contract Date APR 27 1971

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Lincoln, State of Nevada,

described ~~as follows:~~[2] in a lease/option to BOBCAT PROPERTIES, INC., a Nevada corporation, from The Golden Cycle Corporation, a West Virginia ~~Corporation, dated October 29, 1970, and recorded 9:01 A. M.~~ November 2, 1970 in Miscellaneous Book R, Page 345-350, of the official ~~records of said County.~~

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

BOBCAT PROPERTIES, INC.[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

The aforesaid Lease and Option and all matters spelled out or implied therein. ~~The undersigned specifically limits any undertaking or representation hereby made to not more than those contained in said Lease and Option.~~

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions None (State "None" or "See Annex No. ____".)

Dated this 23rd day of November, 19 70.

The Golden Cycle Corporation — P. O. Box 4576 (Street)

By: W T Wells (Seal) — Colorado Springs, Colorado 80909 (City & State)

W. T. Wells, President

_____ (Street)
_____ (City & State)
_____ (Seal) _____

_____ (Street)
_____ (City & State)
_____ (Seal) _____

_____ (Street)
_____ (City & State)
_____ (Seal) _____

_____ (Street)
_____ (City & State)
_____ (Seal) _____

_____ (Street)
_____ (City & State)
_____ (Seal) _____

I, J. Robert Peters (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that W. T. Wells (Name), who signed this agreement was then President (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

J. Robert Peters (Corporate Seal)
J. Robert Peters
Secretary

EXPLORATION CONTRACT
BOBCAT PROPERTIES, INC.
OME-6833

EXHIBIT A

The purpose of the project is to explore by rotary drilling from prepared surface sites for gold and silver-bearing ore in a silicified breccia zone in dolomite of Ordovician age.

GENERAL PROVISIONS

The Government will contribute only to the costs of work performed in the areas within the boundaries outlined in red on Figure 1.

Drill holes shall be drilled not less than 100 feet from the outer boundaries of the area outlined in red on Figure 1.

All drill holes shall be cased as necessary to insure proper and accurate sampling. The Government will not contribute to the cost of casing left in a hole at the Operator's request.

Facilities shall be provided for recovering the drill cuttings, and such cuttings shall be stored in suitable containers properly marked as to hole number and depth represented.

Significantly mineralized cuttings from the drill holes shall be sampled, but no single sample shall represent more than 5 linear feet of hole. Each sample shall be split and one split assayed for gold and silver. All remaining splits shall be stored in suitable containers properly marked as to drill hole and depth represented. Stored splits of samples may be disposed of only with prior Government approval.

True copies of assay certificates, copies of drill logs, and maps or sketches showing the work completed during the reporting period, the location, width, and assay values of all samples assayed, and the geological formations and structures traversed by the drill holes shall be furnished monthly to the Government.

The Operator shall provide such supervision, labor, and technical services as may be required to complete the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Government approval.

Upon completion of drilling the Operator shall fill all pits and trenches excavated in the course of the work so as to restore the surface of the land shown on Figure 1 to approximately its original configuration.

DESCRIPTION OF THE WORK

The work shall consist of preparing access roads and drill sites; rotary drilling test holes up to 450 feet in depth across the projected strike of a breccia zone for an estimated total footage of 5,000 feet; collecting drill cuttings; logging the geology in each hole; and sampling mineralized material for assay.

Starting at a point about 400 feet north of the Atlanta No. 1 shaft, drill 8 lines of 3 to 4 holes each with drill holes about 100 feet apart and lines of holes about 200 feet apart. The location of each drill hole after the initial hole will be determined by the results of preceding holes. The tentative locations of the proposed drill holes are shown on Figure 1.

ESTIMATED COSTS OF THE PROJECT

Actual Costs

Category (1) Independent Contracts

Bulldozing access roads and drill sites, and restoring surface of land 130 hours at $15.00/hour	$ 1,950.00	
Mobilization and demobilization of drill rig,	500.00	
Rotary drilling (minimum hole size, 3-1/2 inch diameter) 5,000 feet	27,500.00	

Depth, Feet	Price Per Foot
0 - 450	$5.50

Casing lost in hole, 50 feet at $3.00/foot	150.00	
Total Category (1)		$30,100.00

Category (2) Personal Services

None except:

1 Supervisor-Engineer, 3 months at $1,000/month	$ 3,000.00	
1 Geologic Consultant, 10 days at $125.00/day	1,250.00	

1 Laborer 360 hours at $3.50/hour	$ 1,260.00	
Total Category (2)		$ 5,510.00

Category (7) Miscellaneous

None except:

Per diem, Geologic Consultant, 10 days at $25.00/day	250.00	
Transportation, Geologic Consultant, 3,000 miles at $0.12/mile	360.00	
Transportation, Supervisor, including transportation of samples from property to freight office, 2,000 miles at $0.12/mile	240.00	
Office and accounting expenses, including incidental costs and report preparation, 4 months at $100/month	400.00	
Payroll taxes, F.I.C.A., insurance,	640.00	
Assaying for gold and silver, 500 samples at $4.00/sample	2,000.00	
Freighting and handling samples, 500 samples at $0.50/sample	250.00	
Sample bags or containers, 500 at $0.50/each	250.00	
Total Category (7)		$ 4,390.00
Total Estimated Cost of the Project.		$40,000.00
Government Participation at 75%		$30,000.00

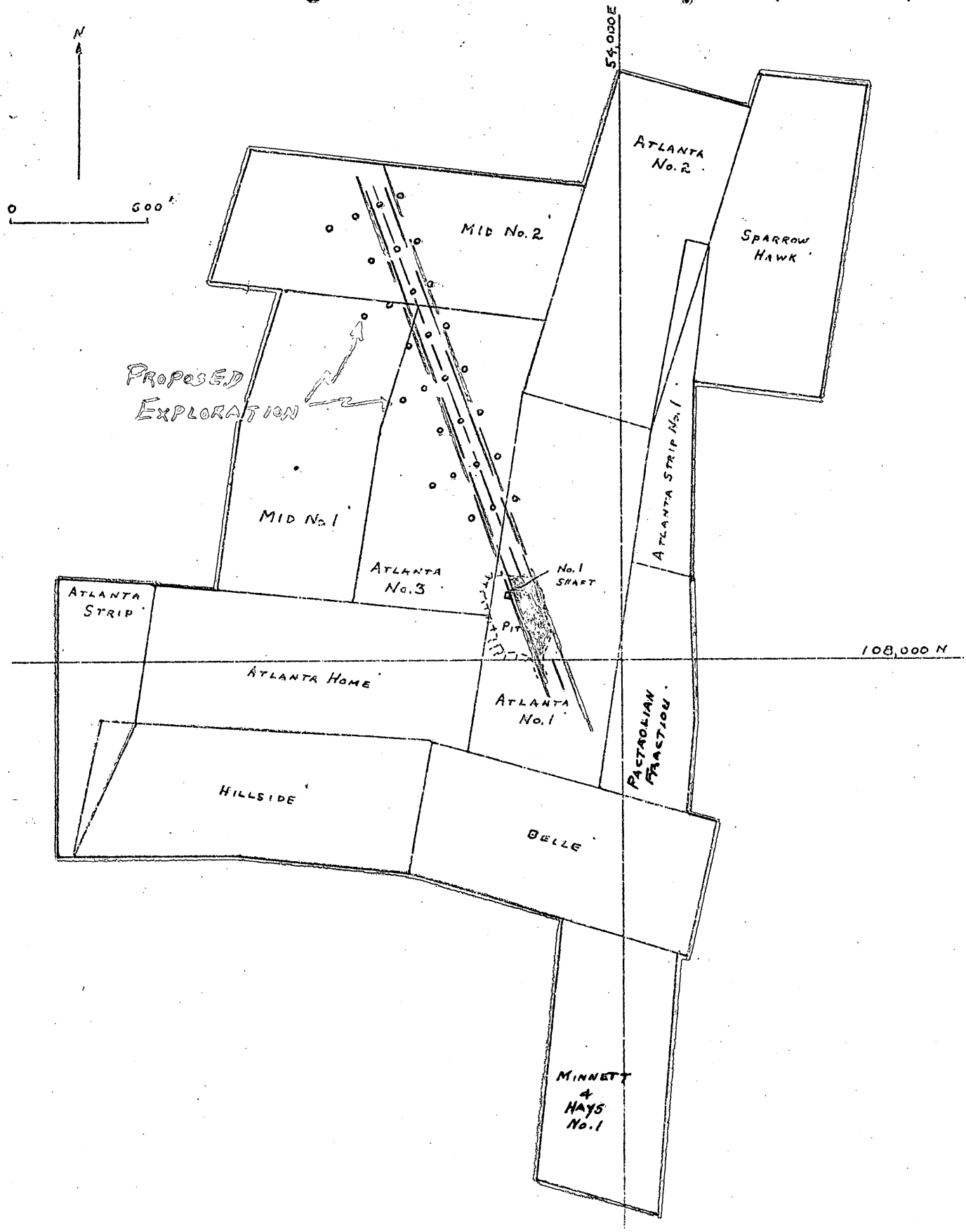

Figure 1. Property map showing location of proposed exploration at the Atlanta Mine, Lincoln County, Nevada.

MME Form 40
(Revised Nov. 68)

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 30 1970
INITIALS | CODE

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85—701 (72 Stat. 700; ~~30 U.S.C. 641~~)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

BOBCAT PROPERTIES, INC.
(Rutherford Day, President)
1730 M. Street, N. W. Suite 606
Washington, D. C. 20036

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6833

DATE RECEIVED: 11-30-70

REGION: II

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [X]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Nevada

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
N/A		

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: gold, silver-(uraninum, molybdenum)*

ESTIMATED COST OF PROJECT: $100,000.00

PROPERTY NAME	LOCATION COUNTY	STATE
ATLANTA MINE	LINCOLN	NEVADA

*possibly uraninum, molybdenum.

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. II). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

November 30, 1970
DATED

BOBCAT PROPERTIES, INC.
Rutherford Day
BY *(Signature)*
Rutherford Day, President
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense.
U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include (1) true copies of your letters to credit sources which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) true copies of replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a)

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) If you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates. State your reasons for expecting to find ore.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property state name, address, and telephone number of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs for time and materials *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and price of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i. e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work; accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

JAMES E. ANDERSON
SALT LAKE CITY, UTAH
484-1387

JAMES L. ANDERSON
MOAB, UTAH
253-4731

Anderson

MINING & DRILLING CONTRACTORS
BOX 369
MOAB, UTAH 84532

December 10, 1970

Phil Hulse
Box 175
Pioche, Nevada

BID PROPOSAL

Project: 2500 to 3000 feet of Hammerdrilling in Quartz Breccia. Depths 50 to 300 feet.

Footage bid price: $3.40 per foot. ← Low?

Hourly bid price: $40.00 per hour plus $1.00 per foot for hammer drill.

Mobilization: 80¢ per mile one way.

Operator will furnish drill roads, drill sites and casing if needed.

Contractor will furnish rig, water truck, fuel, crew and repairs.

Our rig will operate the Mission high pressure hammerdrill with no auxillary compressor or equipment. Our crew is experienced in this type of work.

Sincerely,

James L Anderson

James L. Anderson

JLA/mqs

POCAHONTAS DRILLING COMPANY

POST OFFICE BOX 38
DOLCONDA, NEVADA 89414
TELEPHONE 2460 25

December 9 - 1970

Mr Phil Hulse
Box 175
Pioche, Nevada.

Bid Proposal:

Regarding: Drilling Contract @ Bradshaw & Bob Cat property.

Thank you for inviting Pocahontas Drlg Co to bid on your Rotary & Hammer Drlg.

Mobilization in & out ——— $1.00 per mile
Hammer Drilling with or with out water injection ——— $5.00 per ft + Bits
Rotary Drilling (tricone) with or without water injection ——— $4.00 per ft + Bits
Cementing if Required ——— $15.00 per hr.

Bits, Cement, Drilling mud and additives at your expense F.O.B. Job site.

Delays for your Convenience. ——— $12.00 per hr

You will at your expense supply all roads & locations.

Drilling to proceed 5 or 6 days per wk. Barring breakdowns and weather permitting.

Thanks:
Forrest G. Blazer

BONDED & LICENSED

MINERAL · FOUNDATION · [illegible]

STEVENSON DRILLING COMPANY

Seismograph Drillers

1328 Quince Avenue - Upland, California 91786

November 30, 1070

Bobcat Properties, Inc.
P. O. Box 75
Pioche, Nevada 89043

Dear Sirs:

We are interested in drilling your Bradshaw and Atlanta properties and are submitting for your consideration a footage price or an hourly price for the work. The equipment is a 1968 CF-15 WABCO and a serarate truck mounted with stationary engine, compressor operating at 250 PSI.
The down hole hammer is a Mission 32-20 and the hole size will be 4 1/2".

Footage rate:
Bradshaw property $6.50 per foot 3 $5.75
Atlanta property $5.00 per foot
There is a move in charge of $750.00
The client will furnish necessary bulldozer work on locations and roads to locations and if weather requires, clean roads.

Hourly rate: $36.00 per hour
Charged time starts when equipment is started in morning and stops when equipment is shutdown in evening.
There is a move in charge of $750.00
We furnish equipment listed above and the Client furnishs bits and roads, drill locations and other bulldozer work as necessary.

Please note we are furnishing 250PSI air under both proposals.
We are prepared to move on your notice

A certificate of insurance is enroute from our broker.

We wish deposit made with Mr. Phil Hulse or mutually acceptable depository in amount sufficent to cover payment of move in charge on arrival and subsequent payments as work progresses or holes are completed.

Very truly yours,

W. M. Stevenson

W. M. Stevenson

P.S. Should snow or other adverse weather conditions prevent our working there will be a standby charge of $50.00 per day for a maximum of 5 days per week.

W. M. Stevenson

Telephone
754-6752

P. O. Box 796
CARLIN, NEVADA

AMBERSON CONSTRUCTION CO.

Open Pit Mining — Minerals Exploration Drilling

JOHNNY AMBERSON

November 23, 1970

BOBCAT PROPERTIES, INC.
P.O. Box 175
Pioche, Nevada 89043

Attention: Phil Hulse, Resident Engineer

Dear Mr. Hulse,

My quotation on drilling is $5.95 per foot. I will furnish the bits, steel, down hole hammer and a Chicago Pneumatic Drill.

My quotation on drilling by the hour is $37.50. We furnish the steel and down hole hammer. The mining company furnishes bits and all drilling additives.

Either by the foot or by the hour, a charge of $5.00 per man per day subsistence will be made. $1.00 per mile mobilization to job site and return to Carlin. Carlin To Pioche - 325 mi

It will be necessary for $8,000.00 to be put in escrow in the Nevada National Bank in Carlin.

If there is any additional information needed please let me know.

Sincerely,

AMBERSON CONSTRUCTION COMPANY

Johnny Amberson

Johnny Amberson
Owner

MCCOMACK DRILLING INC.

P.O. BOX 2[illegible] · [illegible]NEVADA 89301 · ELY 702 289-3328 · PHOENIX 602 274 2058

1110 University Club Bldg., 136 East South Temple
Salt Lake City, Utah 84111

December 1, 1970

Mr. Phil Hulse
Resident Engineer
Bobcat Properties, Inc.
P.O. Box 175
Pioche, Nevada 89043

Dear Mr. Hulse;

Thank you for requesting information pertaining to our core rig as per our telephone conversation November 28, 1970.

McComack Drilling Incorporated has available, immediately, a Franks Keystone 50 powered by a Cummins 220 diesel, which has just been completely overhauled, a 650 Gardner Denver air compressor with a Model 4210 Mission down hole hammer. For fluid drilling, we have a 5" x 6" Gardner Denver mud pump. All of above equipment is mounted on a 1958 International truck.

This unit is equipped with hydralic leveling jacks, 2500' of 2-7/8" oilfield drill pipe, six 4" drill collars, 2-1/8" x 3-1/2" x 20' Christensen Diamond Core Barrel, welding machine, light plant, 1971 Chevrolet three quarter ton pickup, other miscellaneous equipment, and a used tralier house if needed.

We have a 1959 Chevrolet Water Truck with a 1000 gallon flat water tank available for a base charge of $250.00 per month and twenty five cents per mile, which is driven by the third man who works on the rig as needed.

The cost for this rig is $40.00 per hour with three men, fuel, mud pump, air compressor and hammer furnished. We receive $30.00 per hour moving in, rigging up and moving out.

Our core rig is 8' wide and 35' long and can maneuver over rough terrain.

Thank you for the opportunity to discuss our equipment and if further information is needed, please contact me at phone 359-5443.

Sincerely,

W. C. McComack

Executive Vice President

Longyear

E. J. LONGYEAR COMPANY
308 EAST PIMA STREET
PHOENIX, ARIZONA 85004
PHONE 258-6543
GEN. OFFICE - MINNEAPOLIS, MINN.

January 8, 1971

Bobcat Properties, Inc.
P. O. Box 175
Pioche, Nevada 89043

Attention: Mr. Phil Hulse, Resident Engineer

SUBJECT: PROPOSAL WHICH WILL COVER YOUR PLANNED DOWN-THE-HOLE ROTARY DRILLING PROGRAM, [illegible] MINING AREA, APPROXIMATELY 50 MILES NORTHEAST OF PIOCHE, NEVADA

Gentlemen:

1. In response to your [illegible] area you wish drill[illegible] you outlined below.

2. It is our understanding [illegible] drilling twenty [illegible] hammer drill holes [illegible] mining district.

It is understood [illegible] operations have been extremely [illegible] formation that exists [illegible]

It is not [illegible] ing operations [illegible] obtained from [illegible] distance one way from the proposed drill sites.

There are no housing facilities for the crew in the area and it will be necessary to establish a house trailer for the crew to live.

It is understood that Bobcat Properties, Inc. will furnish the tractor service necessary for the preparation and maintenance of the drill access roads and for construction of drill sites, including mud pits if required.

3. For the program as outlined above, we propose to furnish one rotary drilling machine of suitable capacity together with all the required accessory equipment including a down-the-hole hammer tool.

We would expect to operate the project working one shift per day on an equivalent six day per week schedule.

4. We will carry public liability insurance covering personal injury and property damage, Workmen's Compensation Insurance and also all-risk insurance on the drilling equipment protecting against loss by theft, fire, flood, landslides and other similar hazards. Certificates showing the coverage referred to will be furnished upon request.

5. Based upon conditions experienced while drilling in the same general area, we are pleased to submit our price schedule below.

a) Mobilization and demobilization of personnel and drilling equipment.....$545.00 lump sum/rig

b) Rotary, down-the-hole hammer drilling, where applicable

Depth	5-Inch Size
0 to 250 feet.....	$6.25/ft.

c) Bits, either down-the-hole hammer or other types used in the program will be invoiced at Longyear's listed prices, less a 10% discount.

d) Time spent by crews performing cementing activity, installing or pulling casing or carrying out other hole stabilizing or loss circulation activity will be invoiced at.....$31.00 per hour for each two man crew.

e) Standby time or delays for your convenience or for which you are responsible will be invoiced at.....$29.00 per hour with two man crew.

f) Cement, drill mud, additives or other hole stabilizing or hole plugging material consumed in the program will be invoiced at Longyear's jobsite cost, plus a 10% markup charge.

g) Pipe or casing which is lost in the hole or left in drill holes at your request will be invoiced at Longyear Company replacement cost, jobsite basis.

h) Water truck service, if required

1) Truck rental - $300.00 per month

2) A separate, full-time water truck driver, if required, will be furnished for $5.75 per hour.

3) Bobcat Properties will furnish a suitable source of water as near as possible to the drilling area at no cost to Longyear.

i) If it should become necessary to supplement the compressed air capacity of the rig in order to supply sufficient air to run the down-the-hole hammer or to overcome unfavorable drilling conditions, it is understood that the applicable rental rates covering an auxiliary compressor as well as operating expenses would become an invoiceable item to Bobcat Properties, Inc.

j) Due to remoteness of work, it will be necessary to provide a trailer house for crew housing. To help offset crew camp expenses, we will make a charge of $5.00 per day per man.

k) Sample containers will be provided by the Longyear Company, if required, at our jobsite cost plus a 10% markup charge.

6. Drill samples obtained from the program will be turned over to your representative at each drill site in containers furnished by Bobcat Properties, Inc., or by the Longyear Company as outlined above.

7. Provided this proposal is acceptable to Bobcat Properties, Inc., it is understood that they will furnish all necessary financial information to our credit department in Minneapolis, Minnesota, for its use in determining the type of financing that will be required to cover the work.

It is further understood that this proposal is subject to the condition that you secure written approval of your arrangement for payment for the work to be performed before it is commenced.

Written approval can only be given by a corporate officer of the Longyear Company by separate letter. Also, such approval can be withheld in his sole discretion.

8. Invoices covering the work performed will be prepared as promptly as possible after the fifteenth and last day of each month and payment shall be due within twenty days from your receipt of invoice.

9. We appreciate the opportunity to make our drilling service available to you for this project. If selected to carry out this work, we have equipment available for immediate assignment and would expect to get the work under way in the shortest possible time. In the event, there should be a delay before operations could commence, it may involve some delay before a machine could be made available for the project.

10. This proposal will serve as the Agreement for the performance of the services and the furnishing of the equipment as described above if accepted by Bobcat Properties, Inc. and returned to Longyear Company at its Phoenix, Arizona office within thirty days from date hereof.

Sincerely,

E. J. LONGYEAR COMPANY

J. R. Miller

Manager, Southwestern Zone
Contract Drilling Division

J.R.Miller:sis

ACCEPTED:

Company _____

By _____

Title _____

Date _____

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros.
DRILLING COMPANY
CONTRACTORS-ENGINEERS-GEOLOGISTS
P.O. Box 946. 600 Industrial Way
SPARKS, NEVADA 89431
Phone (702) 358-5188

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY, UTAH 84110
Phone (801) 487-3671
BRANCH OFFICES
ARIZONA (PHOENIX)
CALIFORNIA (AUBURN)
COLORADO (GOLDEN)
KENTUCKY (LOUISVILLE)
NEVADA (SPARKS)
OKLAHOMA (NORMAN)
WASHINGTON (SPOKANE)
CHILE (SANTIAGO)
CABLE: BOYLESBROS
MEXICO, D.F.
PERU (LIMA)
CABLE: BOYLESCOP

December 3,1970.

Mr. Phil Hulse
Bobcat Properties, Inc.
P.O. Box 175
Pioche, Nevada 89043

Dear Mr. Hulse:

The following are prices that we wish to submit for a limited amount of rotary drilling on your property at the Atlanta Mine, near Pioche, Nevada.

1. Mobilization and demobilization - $500.00

2. Drilling rates for 5" holes up to 300 feet in depth to be drilled with air and collect dust samples - $9.25 per foot.

3. Cementing, if necessary will be charged at $25.00 an hour plus cost of cement.

4. All materials used, such as bentonite, foam or other additives, will be charged at list price f o b the job.

5. Moving between holes and setting up will be charged at $25.00 an hour.

6. Due to the remote location of the work, a subsistance charge of $10.00 per day per man will be charged.

7. Roads and drill sites to be furnished and maintained at no cost to Boyles Bros.

Alternate Porposal

We will furnish a rotary drill, 600 compressor and Mission down hole hammer for $37.50 an hour plus cost of bits

BOYLES BROS. DRILLING CO.

and materials. This rate would apply to all moving and setting up, cementing time and all other drilling operations.

The mobilization and subsistance charges would be the same as in the footage proposal.

I realize that these prices are very high for most rotary drilling, but I'm also sure that it is going to be very rough drilling, with a low footage and high bit cost. If we find that the job is overpriced after the first phase is completed we will be very happy to adjust our prices accordingly for the remainder of the work.

Thank you for the opportunity of bidding on this.

Yours truly,

Joe Fetterhoff

Joe Fetterhoff
District Manager

JF:sc

BOBCAT PROPERTIES, INC.
Rutherford Day, President
1730 M. Street, N. W., Suite 606
Washington, D. C. 20036

ADDENDUM TO APPLICATION

1. Financial Eligibility:

(a) Evidence of efforts are herewith submitted per attached letters indicating the credit sources from which I requested loans in the amount of $100,000, on any terms as to time and interest rate, for the proposed use, and the replies therefrom.

(b) There are no affiliated companies.

(c) My share of the cost of the exploration work will be furnished by funds lent to the corporation by myself, individually. These are on hand.

2. Applicant's Rights in Land:

(a) Attached herewith are two copies of the mineral lease option to Bobcat Properties, Inc. (Bobcat) from The Golden Cycle Corporation (GCC), under which applicant obtained its interest in the land and mineral rights.

(b) N/A.

(c) N/A.

3. Physical Description:

(a) See descriptions contained in said mineral lease option and also two copies filed herewith of report of John Haigh, Senior Geologist to GCC, dated March 1970, with accompanying maps and illustrations. The answers to the remaining subparagraphs under paragraph 3 are all contained in said GCC report.

Considerable other data have been made available to applicant and will be made available to the Field Geologist at applicant's office, c/o Philip Hulse, Pioche, Nevada 89043 (telephone 702-962-5222). This data is so voluminous that it is suggested that the Field Geologist arrange for whatever copies thereof which he may wish, directly from Mr. Hulse, where the same are now maintained. Duplicating facilities are available there also. In addition, further information from the OME files is available and may be obtained by you (OME-6611, silver-gold), A & B Silver Mines, Inc., Bradshaw, et al claims, Lincoln County, Nevada, contract number 2240. OME contract with a former owner covering a different exploration area).

Included in said files are geological and contour maps which would also apply to this application.

4. Accessibility of Property:

This property is accessible both by road and to aircraft. It is on the map of Nevada and is likewise included, designated as the Atlanta Mine on the two copies of the U.S.G.S. Lund section map included herewith. Shopping and supply points are c/o Pioche, Nevada, as set forth in paragraph 3, approximately 45 miles south of the property.

5. Exploration Work:

Exploration work is proposed.

(a) Commencing approximately 400 feet north of the presently blocked out ore body of the Atlanta mine on the northwest section of the Atlanta mountain for a distance of 1,600 feet along the trend of the outcrop to a point 2,000 feet to the north of the existing proven ore body. The method of exploration for this possible new ore body would be 4,500*feet of two sets of drill holes from 50 to 250 feet deep (depending upon overburden) upon 100 foot centers. These holes would commence, using the No. 26 hole drilled by GCC and referred to by John Haigh in the enclosed report, as a starting point on the south. This exploration is conceived at $50,000 and would be on the patented Atlanta mine claims.

The second $50,000 is requested to be spent in exploration along the structure between the Atlanta mine and the Bradshaw mine situated on the southerly side of the Atlanta mountain, but not on the Bradshaw claim proper, or at the location investigated by and under OME 6611, contract No. 2240. Instead, due to the apparent continuous mineralization between the two said mines along the fault structure, the Minnie and Lucky Dog claims seem to offer great interest in economical exploration, especially due to the existence of a road across such claims previously constructed on the property. This exploration would also consist of 4,500*feet of drill holes.

(b) No access road need be built except for possible extensions of existing roads for a minor distance in order to accommodate drill rigs.

(c) Work could be started quite promptly after execution of an OME contract, should one be executed at an anticipated average daily rate of progress of about 100 to 150 feet per day--probably not exceeding ten weeks, once commenced.

6. Experience:

Bobcat Properties, Inc., is a Nevada corporation organized October 29, 1970 in Washoe County, Nevada. Its President, Rutherford Day, has no technical experience in mining. The program will

*based upon median bid price; if lower bids permit, double the number of feet to 9,000 each area is contemplated.

be under the direction of Lawrence E. Smith, Consulting Geologist, of 1360 Second Avenue, Salt Lake City, Utah 84103 (telephone: 801-364-1018). Mr. Smith graduated in 1942 from Pennsylvania State University with a B.S. degree in geology, and thereafter he spent two years in graduate work (non-degree) at the University of California at Los Angeles (also in geology). Thereafter, for six years, Mr. Smith worked at the U. S. Geologic Service in the Geologic Branch area and from 1959 until the present has been a Consulting Geologist in good standing in the states of Nevada and Utah.

Philip Hulse, Pioche, Nevada 89043 (telephone: 702-962-5222) is a Consulting Mining Engineer, who has worked in mining about eighteen years and is a 1961 graduate of the Mackay School of Mines, with a B. S. degree in mining engineering.

James Hulse, father of Philip, is a practical miner, a lifelong resident of Pioche, Nevada and has engaged in mining for forty-five years. (Telephone: 702-962-5806).

The foregoing three persons will supervise the work in exploration proposed upon the property, which is proposed to be conducted by contract drilling. Bids are presently being sought from various drilling companies, including Greenlee-Stevenson Company, P. O. Box 787, Delta, Utah; La Vare Hollingshead Company, Panaca, Nevada; Boyles Bros. Drilling Company, Sparks, Nevada; Continental Drilling Company, Carson City, Nevada; Longyear Drilling Company, Ely, Nevada, and Amberson Drilling Company, Carling, Nevada.

7. Estimate of Costs:

(a) The bids range tentatively from a low of $4.00 to a high of $15.00 per foot, based upon the type of equipment used and other personal economic factors peculiar to each of the bid drillers. These bids relate to the hard rock portion of the drilling work. The overburden portion bids tentatively range from $2.00 per foot to $5.00 per foot. Any extensions of roadways necessary will be relatively minor, but must be let for bids subsequent to the extent of exploration contemplated in any OME contract, especially on the phase pertaining to the Minnie and Lucky Dog claims.

(b) Personal services have been arranged for with the above named individuals in charge of conducting the exploration. It is estimated that a daily base rate of $125.00, plus expenses, will be paid the geologist, and that a monthly base rate of $1,000 will be paid the mining engineer; a monthly base rate of $850.00 will be paid the miner, and in addition, at least one sampler at a monthly base rate of $750.00 is contemplated. All the base rates quoted are subject to the addition of expenses. These services are all available at present for a reasonable period of time.

(c) All operating materials and supplies, other than those to be used by the contract drillers, will be furnished by the Consulting Engineer and Geologist. Power and water lines are available to the property, and power, water and fuel are to be supplied by the contract drillers for the bid price.

(d) Operating equipment to be supplied by contract drillers.

(e) N/A.

(f) N/A.

8. Other Information:

Further information pertaining to the proposed drilling program and geological reasons for the same are being sent, postpaid, by the Consulting Geologist supervising the project, in duplicate, directly to the Office of Minerals Exploration, Room 4460, U. S. Geological Survey, Washington, D. C. 20242. It is requested that this material be included in the file on this application and to be considered a part hereof.

If any further material is necessary or would be helpful, please contact Philip Hulse at the address or telephone given above, who will be happy to supply details and who has been furnished with a copy of this application.

Respectfully submitted,

Rutherford Day

Rutherford Day, President
Bobcat Properties, Inc.

CC: Philip Hulse
Lawrence E. Smith

Postscript

The reference to the minerals, uraninum and molybdenum, on the face sheet of the application, refer to the incidental possibility that these minerals may be discovered in economic quantities during this proposed exploration. Manganese is also known to be present in appreciable quantities in the immediate area. Discovery of any of these minerals would be a fortunate by-product of exploration work, which is fundamentally proposed for the gold and silver content of the ore bodies.

R. D.

FIRST NATIONAL BANK
OF NEVADA

J. F. ELSTON
ASSISTANT VICE PRESIDENT

November 16, 1970

Mr. Rutherford Day
Matzkin & Day
1730 M Street, N. W.
Washington, D. C., 20036

Dear Mr. Day:

We have reviewed your proposal to borrow $100,000.00 for the purpose of proving out a 600-foot extension of your gold and silver ore body on the Atlanta Mine property in Eastern Nevada.

We are unable to satisfy your request as this appears to be a loan for speculative purposes with an indefinite source of repayment.

We wish you every success in your new ventures in Nevada.

Sincerely,

JFE:fjh
Encs.

LAW OFFICES
MATZKIN & DAY
1730 M STREET, N. W.
WASHINGTON, D. C. 20036

SHELDON I. MATZKIN
RUTHERFORD DAY

(202) 293-3350
CABLE: SIMTEL

November 5, 1970

J. F. Elston,
Assistant Vice President
& Loan Officer
First National Bank of Nevada
Reno, Nevada 89504

Dear Mr. Elston:

This letter is by way of followup to our meeting at the main office of your bank on October 30, 1970.

As you know, BOBCAT PROPERTIES, INC., is a Nevada corporation, with offices at suite 1400, One East First Street, Reno, Nevada and also its main operating office, which is currently suite 606, 1730 M. Street, N. W., Washington, D. C. 20036.

BOBCAT is the owner of a lease/option on the Atlanta Mining Properties, consisting of twelve patented claims, 173 unpatented lode claims, and 2 unpatented mill site claims, together with power and water lines to the property and consisting of approximately of 3,640 acres more or less.

The document is recorded in the Land Records of Lincoln County at Miscellaneous Book R, page 345.

This is to make application for an exploration loan in the amount of $100,000.00, for the purpose of proving out a 600-foot northward extension of the present gold-silver ore body on the Atlanta Mine property, and a vertical extension of the present proved ore body below the 200 foot level. The present locations are shown (of the ore body) in the study prepared by John R. Haigh, Senior Geologist, The Golden Cycle Corporation, in a feasibility report dated March 1, 1970, copy of which is sent by separate cover. It is estimated that the foregoing exploration will cost $80,000.00. An additional $20,000.00 is requested for exploration of the deposits of uraninum and molybdenum referred to on page 10 of said report.

Thank you for your consideration in this matter.

Very truly yours,

Rutherford Day

Rutherford Day

LAW OFFICES
MATZKIN & DAY
1730 M STREET, N.W.
WASHINGTON, D.C. 20036

SHELDON I. MATZKIN
RUTHERFORD DAY
ROBERT C. KELLY

(202) 293-3350
CABLE: SIMTEC

November 18, 1970

Mr. J. A. Frost, Manager
Nevada National Bank
Reno Branch
1 North Virginia Street
Reno, Nevada

Dear Mr. Frost:

Per our interview conference on November 16, 1970 at your office, I am enclosing application for a loan in the amount of $100,000.00 for an exploration project on the Atlanta property in the Atlanta Mining District, Lincoln County, Nevada, on the various claims contained in the lease/option dated October 29, 1970 which you examined in your office.

Request is made for a 5-year term of repayment in full at the end of said term, with interest at 8 percent per annum until paid.

I will be happy to secure the same by assignment of the lease for this purpose.

I would appreciate hearing from you regarding this application at soon as possible.

Very truly yours,

Rutherford Day

Rutherford Day

TO: OFFICE OF MINERALS EXPLORATION:

While this application has been denied by the Nevada National Bank, due to difficulties with receipt of the mails at my Washington office, I have not as yet received the reply which has been sent in writing denying the same. Therefore, I will forward the written denial when it is received in due course. I have been informed verbally that the application has been denied.

R. D. 11/27/ 70

Rutherford Day

PHIL HULSE
MINING ENGINEER
Pioche, Nevada 89043

NOV. 27, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 30 1970

INITIALS	CODE

DEPARTMENT OF INTERIOR
U.S. Geological Survey
Office of Mineral Exploration
Washington, D.C, 20242

Attn: Cheif O,M.E. Officer:

I have been retained by Mr. Rutherford Day, President of BOBCAT PROPERTIES, Inc. to submit the attached Engineer's Report on the ATLANTA MINE, Lincoln County, Nevada.

I understand Mr. Day has submitted MME Form 40 to your office, and has furnished your office with information regarding Financial Eligibility and Applicant's Rights to Land.

Additional information required on MME Form 40 is attached in the Engineer's Report dated Nov. 24, 1970. Should your office need further information, please contact me at the address given below.

Sincerly, Phil Hulse

Phil Hulse
P.O. Box 514
Pioche, Nevada
89043
Phone: 702-962-5222

PH;cc R. Day
Enclosure:
(2) Engineer's Report
ATLANTA MINE

Engineers Report

on

ATLANTA MINE
Lincoln County, Nevada

by

Phil Hulse
Mining Engineer
Pioche, Nevada

for

BOBCAT PROPERTIES, INC.
Rutherford Day, President
1730 M Street, N. W.
Washington, D, C.

November, 1970

RUTHERFORD DAY, PRESIDENT
BOBCAT PROPERTIES, INC.
1730 M. Street, N. W. Suite 606
Washington, D. C. 20036

Philip C. Hulse
P.O. Box 514
Pioche, Nevada
89043

SUMMARY

The information for items 3 through 7 on this OME loan application was requested of me by Mr. Rutherford Day. Mr. Day will submit the information required in items 1 and 2.

The information contained in this application is based on my prior experience with OME loans and also from some of the reports previously written about the property. This summary will detail the references used in compiling the information.

Item 3 (a) is common knowledge and can be found in reports by Peter Joralemon for A & B Gold-Silver Mines, Inc., and by John R. Haigh for The Golden Cycle Corporation.

Item 3 (c) is contained in reports by Harry E. Nelson for A & B Gold-Silver Mines, Inc., and by John R. Haigh for The Golden Cycle Corporation, and by Peter Joralemon for A & B Gold-Silver Mines, Inc.

Item 3 (e) is contained in a report written by Ted L. Hanks for A & B Gold-Silver Mines, Inc.

Respectfully Submitted,

Phil Hulse

Phil Hulse
MINING ENGINEER
Pioche, Nevada
Nov. 24, 1970

RUTHERFORD DAY, PRESIDENT
BOBCAT PROPERTIES, INC.
1730 M. Street, N. W. Suite 606
Washington, D. C. 20036

Philip C. Hulse
P.O. Box 514
Pioche, Nevada
89043

ITEM 3 (a) - The Atlanta Mine development commenced around 1905 with two shafts almost 300 feet apart. This early development consisted of approximately 500 feet of shaft sinking, 1,700 feet of drifts and crosscuts, and 150 feet of winze and raises.

Since that time numerous reports and studies have been made and in 1954 and 1955, Atlanta Gold and Uranium Company mined and shipped 22,000 tons of breccia to Kennecott Copper Corporation in McGill, Nevada. In 1961, Hoover Construction Company increased the level development and they were followed by McKinney Mines, Inc., who also increased the development of the property.

In 1965, A & B Gold-Silver Mines, Inc. started open pit mining and installed a 500 ton/day cyanide mill on the property. They also had a 3,000 KVA power line to the property built and put in a water line, nine miles in length, which was producing 350 GPM. It is believed the capacity of the well is considerably greater than that, however.

In 1969, Golden Cycle Corporation did a complete feasibility study and drilling program to verify ore reserves indicated by prior study.

ITEM 3 (b) - Mr. Rutherford Day currently holds a Mining Lease and Option to Purchase Agreement from Golden Cycle Corporation on the Atlanta Mine, power and water lines. Mr. Philip Hulse has been retained by Mr. Day as consulting engineer.

ITEM 3 (c) - In 1954 and 1955, Atlanta Gold & Uranium Company trucked 22,000 tons to the Kennecott Copper Corporation smelter in McGill, Nevada for sale as a silica flux. The average grade was 0.33 oz. gold and 1.16 oz. silver. Settlement sheets and assays are on file and available to be examined in the office of Phil Hulse in Pioche, Nevada.

In 1966, A & B Gold-Silver Mines, Inc., cyanided nearly 27,000 tons with a net result of 3,724.719 fine ozs. gold and 4,700.44 fine ozs. of silver shipped to the San Francisco mint.

RUTHERFORD DAY, PRESIDENT
BOBCAT PROPERTIES, INC.
1730 M. Street, N. W. Suite 606
Washington, D. C. 20036

Philip C. Hulse
P.O. Box 514
Pioche, Nevada
89043

ITEM 3 (d) - In 1965, a report prepared for Deep Sand Petro-Energy Developments, Inc. by Harry E. Nelson indicated 1,400,000 tons of developed ore reserves with estimated assays to be 0.14 ozs. gold and 1.78 ozs. silver.

In 1966, a report prepared for A & B Gold-Silver Mines, Inc., by Peter Joralemon, indicated 1,452,000 tons of probalbe ore reserves with estimated assays to be 0.142 ozs. gold and 1.68 ozs. silver.

In 1969, a report prepared for the Golden Cycle Corporation by John R. Haigh and based on an extensive drilling program, indicated 1,186,000 tons of ore averaging 0.16 ozs. gold and 1.66 ozs. silver.

All previous reports indicated 1,200,000 tons approximately, having a gross assay value of 0.14 ozs. gold and 1.78 ozs. silver.

ITEM 3 (e) - Rocks exposed in the subject area consist principally of Ordivician limestone, shales and dolomites that have a prevailing, moderate northeast dip, that are overlain by varying types of Tertiary volcanics and that have been locally faulted, folded and silicified or intruded by silicified breccias. According to the Atomic Energy Commission's terminology (Sharp and Myerson, 1956) the oldest unit has been designated the Tank Hill Limestone, overlain with conformable sequence by the Eureka Quartzite and Ely Springs Dolomite.

Most of the breccias appear to be located on or adjacent to major faults or fault intersections. The same is possibly true of the silicified sediments but there the faults are not as easily recognized. The true breccias are somewhat elliptical or pipe-like in shape although a number of them resemble dikes. They consist of silicified limestone and dolomite fragments held in a matrix of hard massive silica. Near exposures of Eureka Quartzite or where there is apparently only a thin covering of Ely Spring Dolomite, the breccias contain quartzite fragments and thus indicate its intrusive nature into the younger units.

RUTHERFORD DAY, PRESIDENT
BOBCAT PROPERTIES, INC.
1730 M. Street, N. W. Suite 606
Washington, D. C. 20036

Philip C. Hulse
P.O. Box 514
Pioche, Nevada
89043

ITEM 4 (a) - The OME representative can meet with Philip Hulse, P.O. Box 514, Pioche, Nevada. Telephone No. 962-5222, area code 702.

The mine and mineral deposits are situated in parts of 190 contiguous claims, which make up a block 5 miles long and 3 miles wide at the north end of the Wilson Creek Range and at the south end of Spring Valley in eastern Lincoln County, Nevada. The property is on unsurveyed land in the central part of Township 7 north, Range 68 east, Mount Diablo Base and Meridian.

An unpaved north-south road passes through the length of the claim block and connects with U.S. Highway 93 at Pony Springs, 23 miles to the south-southwest, which is 30 miles north of Pioche, Nevada.

ITEM 4 (b) - The closest railroad is that of the Union Pacific Railroad at Pioche, Nevada. This railroad spur from the main Union Pacific line at Caliente, Nevada services the mines in the Pioche District. The distance from Atlanta Mine to the spur is 53 miles.

Previous operators have used Kennecott Copper Corporation as a supply point. Their smelter is located in McGill, Nevada and is 85 miles from the mine.

RUTHERFORD DAY, PRESIDENT
BOBCAT PROPERTIES, INC.
1730 M. Street, N. W. Suite 606
Washington, D. C. 20036

Philip C. Hulse
P.O. Box 514
Pioche, Nevada
89043

ITEM 5 (a) - Proposed exploration work to be undertaken with the OME assistance includes the following:

Drill approximately 600 feet of vertical hammer drill hole along eight lines Northwest of the Atlanta Mine. The reason for this proposal is that previous drilling at the mine and underground work indicates the mineral bearing quartz breccia structure, which has been productive in the mine, may extend to the Northwest. This area is covered with a tertiary volcanic flow and alluvium overburden. It is thought the above proposed drilling pattern could extend the productive breccia zone. The breccia has a general strike of N 30° W and dips to the Southwest about 30° - 50°. Vertical drilling to a depth of about 300 feet maximum would furnish the required information.

Line 1 is proposed to be 250′N 30° W from the Atlanta # 1 shaft (00N, 00E) or (108,400N, 53,500E - plate I and III). Hole A to be drilled first in the projected center of the productive breccia zone North of the shaft. This hole to be drilled approximately 100 feet, or to a depth where the dolomite limestone footwall contact is confirmed. Hole B in Line 1 would be drilled East or West of Hole A to determine width and dip of the mineralized breccia zone. Hole C would then be located as required for additional information. Hole D is proposed for possible consideration on every other line (i.e. 2, 4, 6 and 8) if required.

Upon completion of Line 1 (+250' N), Hole A on Line 2 (+500' N) would be located in the projected center line along the strike of the mineralized breccia. This procedure to be followed through Line 8 (+2,000' N), or until the limits of the mineralized breccia zone is located.

It is estimated a maximum of 450 feet per line in lines 1, 3, 5, 7, and 700 feet per line in lines 2, 4, 6, 8, (see plate II), will be required. It should be stressed that completion of each line is essential before the next line is scheduled.

RUTHERFORD DAY, PRESIDENT
BOBCAT PROPERTIES, INC.
1730 M. Street, N. W. Suite 606
Washington, D. C. 20036

Philip C. Hulse
P.O. Box 514
Pioche, Nevada
89043

ITEM 5 (b) - Any and all road work and construction of drill sites will also be dependant on completion of each successive line. Line 1 would require a minimum of preparation as the present roads in the vicinity of the Atlanta pit could be utilized.

ITEM 5 (c) - Upon acceptance of this proposed project by an executed OME contract, work could commence within one calender month, subject to weather conditions at the location. At a rate of 100 feet of completed hole per day, (including mobilization, moving and demobilization), estimated time of completion is 48 working days, or 10 weeks, or $2\frac{1}{2}$ months.

RUTHERFORD DAY, PRESIDENT
BOBCAT PROPERTIES, INC.
1730 M. Street, N. W. Suite 606
Washington, D. C. 20036

Philip C. Hulse
P.O. Box 514
Pioche, Nevada
89043

ITEM 6 (a) - The writer, Philip C. Hulse, is a graduate mining engineer, (Mackay School of Mines, University of Nevada, Reno, B. S. 1961), a native of Pioche, Nevada, and is at present working as a Resident Engineer for a mining company at Pioche. He is familar with the Atlanta District and owns mining property in the area. He is familar with previous drilling programs at the Atlanta Mine and adjacent areas and has a file on their costs and results.

RUTHERFORD DAY, PRESIDENT
BOBCAT PROPERTIES, INC.
1730 M. Street, N. W. Suite 606
Washington, D. C. 20036

Philip C. Hulse
P.O. Box 514
Pioche, Nevada
89043

ITEM 7 (a) - There will be two independent contracts, one for bulldozer operation and one for drilling. The estimated costs of these contracts are as follows:

Bulldozing roads and drillsites 130 hours @ $18.00/hour	$2,340.00	
Down the hole hammer drilling 4,800 feet @ $6.00/foot	28,800.00	
Mobilization and demobilization of personnel and drilling equipment	500.00	$31,640.00

ITEM 7 (b) - The personal services consist of one consulting engineer and one laborer. Estimated costs are as follows:

1 Consulting Engineer 2 months @ $1,000.00/month	$2,000.00	
1 Laborer 360 hours @ $3.50/hour	1,260.00	$3,260.00

ITEM 7 (c) - None

ITEM 7 (d) - None

ITEM 7 (e) - None

ITEM 7 (f) - None

ITEM 7 (g) - Estimated miscellaneous expenses are itemized below:

Payroll Taxes $3,260.00 @ 15%	$489.00
Consulting engineer's mileage 2,500 miles @ .15/mile	375.00
Mileage for transporting samples to pick up point 1,100 miles @ .15/mile	165.00

RUTHERFORD DAY, PRESIDENT
BOBCAT PROPERTIES, INC.
1730 M. Street, N. W. Suite 606
Washington, D. C. 20036

Philip C. Hulse
P.O. Box 514
Pioche, Nevada
89043

ITEM 7 (g) - Continued

Assays for gold and silver 1,300 samples @ $3.75/sample (Note: Includes transporting samples from pick up point to assayer.)	$4,875.00	
Bags for samples 1,300 @ .50 each	650.00	
Estimated incidental costs for each foot of drilling completed. 4,800 feet @ .60/foot	2,880.00	$9,434.00
Total Estimated Costs		$44,334.00

Rutherford Day
11-3-70

OFFICIAL
COPY
RECEIVED
NOV 3 1970

INITIALS	CODE
	130
HK	120

Dear Mr. Kirkemo:

Enclosed find two (2) copies of the lease/option dated 10-29-70 Between Golden Cycle Corp and Bobcat Properties Inc., per our telephone conversation this date.

Sincerely Yours,

Rutherford Day

92 - '68.—Bradford Publishing Co., 1824 S[illegible] Street, Denver, Colorado.

MINING LEASE AND OPTION TO PURCHASE

THIS INDENTURE made and entered into by and between The Golden Eagle Corporation, a Wyo. corp, hereinafter called "Lessor", whether one or more, of Colo. Springs, Colo and Bobcat Properties, Inc, a Nevada corp, hereinafter called "Lessee," of Reno, Nevada

WITNESSETH:

1. That the said Lessor for and in consideration of the sum of Seven Thousand Five Hundred Dollars, ($7,500.00) cash in hand paid, the receipt and adequacy of which is hereby acknowledged and of the covenants and agreements hereinafter contained has granted, demised, leased, optioned, and let, and by these presents does grant, demise, lease, option, and let exclusively unto the said Lessee, its successors and assigns, the hereinafter described lands, plants, fixtures and improvements, including all necessary rights, with the exclusive right and privilege to explore for, develop, mine (by open pit, underground, strip mining, solution mining or any other method), extract, mill, store, remove and market therefrom all minerals, metals, ores, lodes and veins, dips and spurs, all dumps, and materials of whatsoever nature or sort, hereinafter called "Leased Substances", (except only oil and gas), and of using so much of the surface of said lands as may be necessary, useful or convenient for the full enjoyment of all rights herein granted; all of said lands hereinafter referred to as "Leased Premises" with any reversionary rights therein being situated in the Atlanta Mining District, County of Lincoln, State of Nevada, and described as follows: The Atlanta Mining Properties, consisting of 12 patented claims, 173 unpatented lode claims and 2 unpatented mill site claims, power lines and water lines,

and containing approx 3,640 acres, more or less.

2. This lease shall remain in force and effect for a primary term of Four (4) years from the effective date hereof and so long thereafter as Leased Substances are being mined or processed or marketed from said premises on a continuous basis. For this purpose, mining or processing or marketing operations shall be deemed continuous so long as any of said operations do not cease for a period of more than Ninety (90) consecutive calendar days. In the event Lessee is engaged in actual development of a mine but has not yet obtained actual production of Leased Substances at the end of said primary term, Lessee shall be allowed the necessary time within which to complete said mine development and obtain actual production of Leased Substances, provided Lessee diligently pursues said mine development and actual production. In the event Lessee is unable to obtain a satisfactory market for Leased Substances discovered or produced on said premises, and as a result Lessee delays commencement of mining and/or processing and/or marketing operations beyond the end of said primary term, or from time to time suspends such operations after end of the primary term hereof, then this lease shall not expire or terminate during such period of lack of market but may be extended by Lessee's continuing payment of rentals beyond the end of the primary term or by resuming such payments within Ninety (90) days after a suspension of such operations occurring subsequent to the end of the primary term, provided that Lessee notifies Lessor of discovery or production of Leased Substances before end of primary term. Lessee shall use diligence in searching for a satisfactory market for the Leased Substances during such lack of market periods, and when a satisfactory market becomes available Lessee shall have the necessary time thereafter within which to complete mine development and obtain actual production of Leased Substances. Necessary time is defined as that time a prudent operator needs to develop a mining operation to obtain actual production.

3. If mining and/or processing and/or marketing of the Leased Substances is not commenced on said leased premises on or before one year from the effective date hereof, this lease shall then terminate as to both parties, unless the Lessee shall, on or before one year from the effective date of this lease, pay or tender to the Lessor ~~or for Lessor's credit in~~ $312,000 within one hundred year ~~Bank, at~~ in four equal payments of $75[illegible], ~~or its successor or successors, which bank and its successors are Lessor's agents and which shall continue as the depository regardless of change in the ownership of the Leased Premises, the sum of~~ ~~per acre for each acre of the Leased Premises in which Lessee desires to retain the leasehold interest~~, which shall grant Lessee the right to defer commencement of all operations contemplated hereby for a period of one year from such date. In like manner and upon like payments or tenders the commencement of all operations contemplated may be further deferred for like periods successively during the primary term of this lease; provided that during the primary term hereof and after commencement of operations contemplated, if Lessee suspends such operations for any reason for a continuous period of ninety (90) days or more, then this lease shall terminate on the anniversary of the effective date next occurring after the end of such ninety (90) day period of suspension unless Lessee tenders rentals as above provided on or before such lease anniversary date for the privilege of continuing such suspension for an additional one (1) year period. In like manner and upon like payments or tenders the suspension of all operations may be further continued for like periods successively during the primary term of this lease. And it is understood and agreed that the consideration first recited herein, the down payment covers not only the privileges granted to date when said rental is payable as aforesaid, but also the Lessee's option of extending that period as aforesaid, and any and all other rights conferred. All payments or tenders may be made by check or draft of Lessee or any assignee thereof, mailed or delivered on or before the rental paying date. ~~Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering all or any portion or portions of the above described Leased Premises and thereby surrender this lease as to all or such portion or portions and be relieved of all obligation as to the acreage surrendered and therafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.~~ Notwithstanding the death of the Lessor or his sucessors in interest, the payment or tender of rentals in the manner provided herein shall be binding on the heirs, devisees, executors and administrators of the Lessor his successors in interest.

A royalty of Five (5) per cent of the net mill or net smelter, or net mint returns, as hereinafter defined, received by Lessee. "Net Mill or Net Smelter returns" shall mean the amount of payments received by Lessee from the mill or smelter, or other purchaser to which any Leased Substances or concentrates derived from such Leased Substances are delivered for treatment and/or sale after deduction has been made for all mill or smelter penalties and charges, freight, costs of transportation and haulage from the Leased Premises to the mill or smelter or other purchaser. "Net mint returns" shall mean the amount of payments received by Lessee from the United States Mint or authorized bullion purchaser after deduction has been made for all postage, express insurance, and other handling charges incurred in connection with the shipment of such bullion from the Leased Premises to the purchaser. Should Lessee build and/or operate its own processing or milling facilities for processing or milling the Leased Substances from said Leased Premies, no costs of such facility shall be chargeable against Lessor's royalty. Lessee guarantees that the recovery from any processing or milling facility owned or operated by Lessee shall at least equal eighty five (85) percent of the feed material as to the following Leased Substances: Gold and Silver; all royalty payments shall be based on the above recovery rate if the actual recovery rate is lower and at the actual recovery rate if said rate is higher. Any royalty payable for the sale of any Leased Substance other than those previously enumerated shall be based on the actual recovery rate. Leased substances derived from said Leased Premises may be commingled with other ores derived from other lands and the Lessor's royalty interest in the Leased Substances so commingled shall be determined in accordance with prevailing sound engineering and accounting practices. All dumps, tailings or any other waste material produced by any mining, milling, processing or other method shall be the sole property of Lessee so long as this agreement remains in effect. At Lessor's option all royalty payments shall be made by purchaser of the Leased Substances provided Lessor notifies, in writing, Lessee and purchaser prior to payment date.

5. The Lessor hereby grants to Lessee the exclusive and irrevocable right and option, during the term of this lease, to purchase all of Lessor's right, title, and interest in the above described Leased Premises for a total purchase price of $300,000.00 Three Hundred Thousand Dollars, cash or its equivalent in Lessee's securities. All payments, rentals, royalties, and payments for signing this instrument, paid to Lessor pursuant to this agreement shall apply as a credit against the purchase price. The Lessee may exercise its option at any time during the term of this lease by giving Lessor written notice of such exercise. The remaining balance, if any, on the purchase price shall be paid in cash at the time Lessor delivers to Lessee a duly executed Special Warranty Deed conveying all Lessor's right, title and interest in above described Leased Premises; provided, however that Lessor shall deliver such Deed to Lessee within ten (10) days after the date of exercise. Lessor shall execute and deliver to Lessee such other documents and perform such other acts as may be necessary or may be required by Lessee in order to complete the transfer of ownership to the Leased Premises.

6. Lessor hereby warrants and agrees to defend the title to said land, and agrees that Lessee, at its option, may discharge any tax, mortgage, or other lien upon said Leased Premises, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same.

In case said Lessor owns a less interest in the above described Leased Premises than the entire and undivided fee simple estate therein, then the rentals, royalties, and payments for signing this instrument herein provided for shall be due the said Lessor only in the proportion that his interest bears to the whole and undivided fee; however, such rental shall be increased at the next succeeding rental anniversary after the acquisition of any reversionary interest or after acquired title to cover the interest so acquired, and Lessor agrees to notify Lessee in writing upon acquisition of any additional interest in the above described Leased Premises, whether it be by reversion or after acquired title, or if such additional acquisition occurs after production be obtained then the royalty shall be increased to cover the interest so acquired. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

7. Lessee shall indemnify and hold harmless the Lessor for and account of claims, demands or liabilities arising out of Lessee's contemplated operations on the Leased Premises; assume full and sole responsibility for the contemplated operations conducted on the Leased Premises, and no employee or agent of Lessee shall, under any circumstances, be deemed an employee or agent of the Lessor; perform the contemplated operations on the Leased Premises in accordance with good mining practices, good mining practices shall be determined at the sole discretion of Lessee, shall comply with the applicable laws and regulations relating to performance of mining operations on the Leased Premises and shall comply with the applicable workmen's compensation laws, and pay in full for all labor performed upon or materials furnished to the Leased Premises ordered or requested by Lessee and shall keep the Leased Premises free and clear from any and all mechanics or laborers liens except those which Lessee, in good faith, desires to contest. Lessee shall post, and keep posted, upon said Leased Premises notice to the effect that same are leased and/or optioned and that Lessor shall not, nor will said Leased Premises, be liable for any labor performed upon or material furnished to said Leased Premises as ordered or requested by Lessee. These notices shall be kept and maintained posted, at all times, in conspicuous places near each and every entrance to said Leased Premises and on the principal building and shall be printed in clear and legible characters.

8. During the term of this lease, Lessee does hereby agree to perform all assessment work required to be performed upon the mining claims by law, and does further agree to furnish Lessor with a statement of all such work in order that Lessor may prepare and record all proper affidavits, notices and other documents required by law to evidence the performance of said annual assessment work. Said affidavits, notices and other documents required by law to evidence the performance of annual assessment work may at Lessee's option be recorder by Lessee, provided Lessee notifies Lessor of its intention to so record at least thirty (30) days prior to date for recording as determined by law and furnish copies of said documents to Lessor. Lessee may locate additional new mining claims in the vicinity of the Leased Premises and Lessor agrees that any and all claims so located by Lessee during and after the term of this agreement shall not be and the same are not hereby made subject to any and all of the terms, conditions and covenants of this agreement contained herein. Lessor to have no interest in new locations made by Lessee in vicinity of Leased Premises.

9. In case of suit, adverse claim, dispute or question as to the ownership of the Leased Premises or of the rentals and royalties (or any interest therein) payable under this lease, Lessee shall not be in default in payment or rentals and/or royalties until such suit, claim, dispute or question has been finally disposed of, and Lessee shall have sixty (60) days after being furnished with the original instrument or instruments disposing of such suit, claim or dispute (or a certified copy of copies thereof), or after being furnished with proof sufficient, in Lessee's opinion, to settle such question, within which to make payment. Should the rights or interest granted Lessee hereunder be disputed, it shall not be counted against Lessee either as affecting the term of the lease (which shall be extended by the period of dispute) or for any other purpose and the Lessee may withhold the making of all payments due Lessor hereunder without interest until there is a final adjudication or other determination of such dispute.

10. For the same consideration stated herein, Lessee is hereby granted the exclusive right to use, including but not limited to, all structures, facilities, equipment, roadways, easements, licenses and all other appurtenances now existing or installed on, in or under the Leased Premises hereunder for the purpose of producing metals, ores, minerals or materials from any lands which are owned, operated or controlled adjacent to or nearby the Leased Premises, and such right to use above said facilities will continue after the expiration of this agreement for so long as the use of such facilities is required by Lessee in connection with operations on said adjacent or nearby lands; provided that, in the event such right is so continued then Lessee may extend this lease, as to the

portion of the Leased Premises neces[illegible] or convenient to the enjoyment of such ri[illegible] by notifying Lessor and making payment of annual rental of.....—0—.....per acre of the land so used in the same manner as set out in Paragraph three (3) of this agreement.

11. Lessee agrees to keep accurate records showing Leased Substances mined and/or processed and/or sold from Leased Premises and furnish annual reports to Lessor pertaining to production of Leased Substances. Lessor may have access to the Leased Premises during regular business hours, solely for the purpose of inspecting, surveying, sampling and examining Lessee's mine workings on Leased Premises, so long as such inspection, surveying, sampling and examination shall not interfere with Lessee's operation and is at Lessor's sole cost and risk; exploration workings, drill holes or other like operations of Lessee shall only be examined by Lessor with written consent of Lessee. Upon termination of this agreement under any of its provisions, Lessee will, at the written request of Lessor, furnish Lessor copies of maps showing location of drill holes and mine workings, and any analysis of samples obtained on the Leased Premises which Lessee then has in its possession, together with other geological data concerning the Leased Premises developed from Lessee's operations hereunder.

12. Failure by Lessee to perform or comply with any of the terms, provisions or conditions of this lease, expressed or implied, shall not automatically terminate this lease nor render it null and void; but in the case of such default Lessor may notify Lessee in writing of each specific breach and Lessee shall have a period of ninety (90) days after receipt of such notice within which to cure such default provided further that the period of time for remedying such matters of default shall be extended when Lessee is prevented from acting by causes beyond the control of Lessee, such as labor strikes, fires, floods, explosions, riots, unusual mining casualties, acts of God, government restrictions or orders, suspension of buying by the government where no commercial market is available, severe weather, or shortage of labor, said examples being given by way of illustration and not by way of limitation. The ninety (90) day period specified above shall be thirty (30) days if the violation or breach is of a provision or covenant by Lessee to make payments to Lessor.

13. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or division in ownership of the Leased Premises, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of this agreement. No such change or division in the ownership of the Leased Premises, rentals or royalties shall be binding upon Lessee for any purpose until such person acquiring any interest has further furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his claim of title from the original Lessor. In the event of an assignment of this agreement as to a segregated portion of said Leased Premises, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. An assignment of this agreement, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of any obligations hereunder, and, if Lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of the rentals due from such Lessee or assignee or fail to comply with any other provision of the agreement, such default shall not affect this lease insofar as it covers a part of said Leased Premises upon which Lessee or any assignee thereof shall make payment of said rentals.

14. Lessee shall have the right at any time during or within six (6) months after the termination or expiration of this lease to remove all property, fixtures or structures erected or placed by Lessee on or in the Lease Premises, but shall not remove or impair any supports placed in the underground mines or any timbers or support framework necessary to the use and support of the shafts or other entryways to the mines, or any haulageways within the mines. The compensation herein provided shall be deemed to be full payment to Lessor for any damages which may be caused to the Leased Premises by Lessee's operations hereunder so long as Lessee conducts such operation in a reasonable and prudent manner without negligence on the part of Lessee.

15. Lessor agrees to pay promptly when due all property taxes levied and assessed upon the property except as hereinafter provided, and during the term of the agreement Lessee agrees to pay promptly when due all taxes levied and assessed upon any improvements placed by Lessee upon the premises. As to severance tax, and all other taxes that are now or may be hereafter levied and computed on the amount or value of ores produced, Lessor and Lessee shall bear their pro rata share, provided the pro rata share of Lessor shall be determined by multiplying the gross amount of royalties paid unto Lessor during the taxing period by the applicable tax rate, the balance of the tax being Lessee's pro rata share. If Lessor fails to pay taxes chargeable solely to Lessor or its pro rata share of taxes when due, Lessee may, at its option pay Lessor's taxes or Lessor's pro rata share of taxes as herein defined and deduct said payment or payments from royalties or rentals due or to become due unto Lessor hereunder.

16. Lessee shall have the right to unitize, pool, or combine all or any part of the above Leased Premises with other lands, whether owned, leased or controlled by Lessee or others in the same general area by entering into a cooperative or unit plan of development or operation and, from time to time, change, modify or terminate any such plan or agreement. In the event Lessee enters into such cooperative or unit plan of development or operation there shall not be any modification of the royalty provisions of this agreement, the commencement of production on any portion of such a cooperative or unit plan created hereunder shall have the same effect upon the terms of this agreement as if production were commenced on the Leased Premises embraced by this agreement, and this lease and option shall not terminate or expire during the life of such plan or agreement. Lessor shall only receive royalty payments from his leased premises, Lessor has no right to any royalty payment from other lands in such a unit or pool. If actual production is not obtained from Leased Premises during any lease year, then Lessee shall make rental payments as stated in Paragraph three (3). In case of dispute or question of ownership of any lode, vein, spur or other deposit of Leased Substances, Lessee will pay into a court of competent jurisdiction all royalties payable from such lode, vein, spur or other deposit until ownership is determined by the court of competent jurisdiction. Lessee shall file a written cooperative or unit plan for record in the county in which such cooperative or unit plan is located.

17. It is recognized that the United States of America reserved the mineral and mineral rights from its patent of certain tracts of land (hereinafter referred to as "Surface Tracts"), therefore, the Lessor owns no right, title or interest in and to the minerals and mineral rights in such Surface Tracts. In the event that any or all of the Leased Premises be such Surface Tracts it is further recognized said Surface Tracts shall be subject to this agreement except Lessee is under no obligation and Lessor has no right to rentals with respect to said Surface Tracts nor to royalties with respect to Leased Substances mined from said Surface Tracts. If Lessee validly locates one or more mining claims, or obtains mineral lease or leases to any or all minerals from the United States of America, at any time while such Surface Tract is subject to the terms and provisions of this agreement, Lessee agrees to pay Lessor a sum (hereinafter referred to as Surface Payment) equal to one percent (1%) of the net mill or net smelter or net mint returns as defined in Paragraph four (4) of this agreement. It is specifically understood that the Lessee shall in no way be obligated to locate any mining claim or claims or lease any mineral or minerals upon, in or under any portion of said Surface Tract or having located a mining claim or claims or leased any mineral or minerals thereon, to maintain the same in force and effect.

18. All notices shall be deemed to have been properly given when made in writing and sent by mail or telegraph with all necessary postage or charges fully prepaid and addressed to the parties hereto as follows:

18(a) Exhibit "B", attached hereto, sets forth additional covenants which shall govern and apply in place of any printed (or inserted) provisions which are in conflict therewith.

LESSEE: c/o Rutherford Day, Suite 606, 1730 M St NW Washington, D.C. 20036

All notices shall be deemed to be given when deposited in the United States mail or Western Union Telegraph office and the time given the party receiving such notice shall run from the date the notice is deposited as aforesaid.

19. This agreement shall be binding upon all who execute it, whether or not named in the body hereof as Lessor, and without regard to whether this instrument or any copy thereof, shall be executed by any other Lessor named above. All who execute this agreement shall be Lessors the same as if named in the body hereof.

20. With respect to and for the purposes of this agreement Lessor, and each of them if there be more than one, hereby release and waive the right of homestead, any and all dower and similar rights conferred upon or reserved to such spouse by the laws of the state in which the Leased Premises above described are located.

IN WITNESS WHEREOF, this mining agreement is executed this as of the 1st day of November, 1970

The Golden Gate Corporation	Robert Prosser Inc
By: M. E. MacDougall	By: Rutherford Day President
Authorized Signature	Authorized Signature

ACKNOWLEDGMENT FOR NATURAL PERSONS

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 29th day of October, 1970, personally appeared before me, a notary public, M. E. MacDOUGALL, who acknowledged that he executed the above instrument.

FRANCES MOLINEUX
Notary Public — State of Nevada
Washoe County
My Commission Expires Oct. 2, 1974

Frances Molineux
Notary Public in and for the
County of Washoe, State of Nevada

County of ..... } ss.

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 29th day of October, 1970, personally appeared before me, a notary public, RUTHERFORD DAY, who acknowledged that he executed the above instrument.

FRANCES MOLINEUX
Notary Public — State of Nevada
Washoe County
My Commission Expires Oct. 2, 1974

Frances Molineux
Notary Public in and for the
County of Washoe, State of Nevada

P. O. .....

MINING LEASE AND OPTION TO PURCHASE

FROM

TO

STATE OF ..... } ss.
County of .....
This instrument was filed for record the ..... day of ..... A. D. 19 ..... at ..... o'clock ..... M. and duly recorded in Book ..... of Page ..... Clerk. By ..... Deputy.

RETURN TO

5-68 BRADFORD PUBLISHING CO., DENVER

Lease and option dated November 1, 1970

Exhibit "A" to ~~Deed Dated December , 1969~~, from The Golden Cycle Corporation to ~~A & B Gold Silver Mines~~ Bobcat Corporation, Inc.

Description of "Atlanta Mining Properties", consisting of twelve (12) patented mining claims and one hundred seventy five (170) unpatented mining claims, more particularly described as follows:

In Atlanta Mining District, Lincoln County, Nevada:

a) The Atlanta Group:

All of those certain mining claims described in that certain Quitclaim Deed dated July 22, 1968, recorded at Book D-1, Page 381 of the records of Lincoln County, Nevada, more particularly described as follows:

ELEVEN (11) PATENTED MINING CLAIMS, being:

Atlanta No. 1, Atlanta No. 2, Atlanta No. 3, Atlanta Strip, Atlanta Strip No. 1, Atlanta Home, Pactaolian Fraction, Sparrow Hawk, Hillside and Belle, (Survey No. 3915, Patent No. 282689); all recorded in Book "A-1", page 376 of the Official Records of the County Recorder of Lincoln County, State of Nevada; and

Minnett and Hays No. 1, (Survey No. 3290, Patent No. 328251), recorded in Book "B-1", page 37 of the Official Records of the County Recorder of Lincoln County, State of Nevada;

SIXTY-~~ONE (61)~~ FOUR (64) UNPATENTED MINING CLAIMS, being:

Book & P. no. in application ME-6611

Gem Nos. 1 to 5 inclusive; Eastline Nos. 1 to 7 inclusive; Atlanta Star Nos. 1 to 3 inclusive; Mid and Mid Nos. 1 and 2; Millsite; Millsite Nos. 1, 3, 4, 5, and 8; Moab Nos. 1 to 12 inclusive; Townsite Nos. 1 to 15 inclusive; Minnett & Hayes Nos. 2 to 6 inclusive; Sunday Nos. 1 to 4 inclusive; and Moab;

SIXTY-FIVE (65) UNPATENTED MINING CLAIMS, being:

Cabin Strip, recorded in Book R-1, Page 191; Ajax Nos. 1 to 10 inclusive, recorded in Book R-1, pages 76, 77, 187, 188, 189, 190; Cabin Nos. 3 to 20, inclusive, recorded in Book R-1, pages 192 to 199; Cedar Strip, recorded in Book R-1, page 191; Cedar Nos. 1 and 2, recorded in Book R-1, page 190; Eagle Nos. 1 and 2, recorded in Book R-1, page 352; Westline Nos. 1 to 10, inclusive, recorded in Book R-1, pages 72, 73, 74, 75 and 76; Jean Bee, recorded in Book R-1, page 321; Jean Nos. 1 to 20, inclusive, recorded in Book R-1, pages 102, 321 to 329, inclusive all recorded in the Official Records of the County Recorder of Lincoln County, State of Nevada;

b) The Conway and Bradshaw Group:

All of those certain mining claims described in that certain Deed dated November 30, 1966; recorded in Book D-1, page 355 of the records of Lincoln County, Nevada, more particularly described as follows:

ONE (1) PATENTED MINING CLAIM SPECIFICALLY DESIGNATED AS:

Conway and Bradshaw lode mining claim, U. S. Survey No. 37, Mineral Certificate No. 3, as recorded in the office of the County Recorder of Lincoln County, Nevada, in Book "C-1" of Miscellaneous at Page 328.

"EXHIBIT A"

A TOTAL OF THIRTY-SIX (36) UNPATENTED MINING CLAIMS SPECIFICALLY DESIGNATED AS:

Blue Bird Nos. 1 to 17 inclusive
Big Four
Big Four Nos. 1 to 5 inclusive
Phil D
Bradshaw Nos. 1 to 12 inclusive

as recorded in the office of the County Recorder of Lincoln County, Nevada;

c) The Lucky Dog Group:

All of those certain mining claims described in that certain deed dated June 5, 1967, recorded at Book D-1, Page 359, of the records of Lincoln County, Nevada, more particularly described as follows:

Six (6) unpatented mining claims being Minnie, Tip Top, Lucky Dog, Lucky Dog No. 1, Lucky Dog No. 2, and Lucky Dog No. 3, all as recorded in the office of the County Recorder of Lincoln County, Nevada;

d) The Ridge Group:

All of those certain mining claims described in that certain deed dated August 25, 1965, recorded at Book D-1, Page 332 of the records of Lincoln County, Nevada, more particularly described as follows:

Four (4) unpatented mining claims being Ridge Nos. 1 to 4, inclusive, location certificates recorded at Book R-1, Pages 130, 131 and 132, Lincoln County, Nevada, records; and

e) The Hogan Group:

The following unpatented mining claims in the Atlanta Mining District, Lincoln County, Nevada:

Claim	Book and Page
Hogan	Book W-1, Page 268
Lake Valley Mill Site	Book W-1, Page 211
Lake Valley Mill Site No. 2	Book W-1, Page 311

Together with all water, ditches, flumes, pipelines, power and telephone lines, roadways, water permits, and specifically U.S.B.L.M. ~~[illegible]~~ Rights of Way - Nevada 065912 and Nevada 066707.

Robert and Mary Jo Gall

"EXHIBIT B" TO MINING LEASE AND OPTION TO PURCHASE, DATED NOVEMBER 1, 1970, BETWEEN THE GOLDEN CYCLE CORPORATION AND BOBCATE PROPERTIES, INC.

A) The rental provided in Paragraph 3 (Thirty Thousand Dollars ($30,000.00) per year) may be paid quarterly, on February first, May first, August first and November first of 1971, and succeeding years during the primary term, Seven Thousand Five Hundred Dollars ($7,500.00) on each such date;

B) The rental provided in Paragraph 3 and in A above, may be reduced by Four Thousand Five Hundred Dollars ($4,500.00) per quarter, provided that at least the amount of such reduction is actually spent by Lessee on the leased premises in the form of work of the type which will satisfy annual labor and assessment work requirements. In no event shall the payments be less than Three Thousand Dollars ($3,000.00) per quarter or Twelve Thousand Dollars ($12,000.00) per year;

C) Notwithstanding Paragraph 5, if Lessee is not in production and paying royalties to Lessor on or before November 1, 1972, delay rentals (Three Thousand Dollars ($3,000.00) to Seven Thousand Five Hundred Dollars ($7,500.00) per quarter) made on November 1, 1972 and thereafter shall not apply as a credit against the purchase price;

D) The balance of the purchase price to be paid, pursuant to Paragraph 5, "in cash" may be made in cash or its equivalent. Equivalent shall mean negotiable stock or bonds, or real estate, free and clear, at the then fair market value as established by appraisal by two (2) competent appraisers (one (1) appointed by each party);

E) The parties recognize that Lessor does not own the mill presently located on the claims (Ridge 1, Ridge 2, Bludebird Fraction, Bluebird 15, Bluebird 16, and Atlanta Star No. 3), and the owner

"EXHIBIT B" (continued)

of the mill (Aztec Mining) has permission of Lessor to leave the mill on the premises until April 15, 1971, and Lessee agrees not to complain of such arrangement and that its possession shall not extend to said mill until after April 15, 1971;

F) "Special Warranty" as used in Paragraph 5 shall mean a quitclaim deed with a warranty by Lessor against all persons claiming through, by, or under Lessor;

G) FEDERAL LOANS OR ADVANCES

Lessor does hereby consent and agree to assist and cooperate in any application or effort by Lessee to obtain money from the Office of Mineral Exploration Agency of the United States, or any successor to such agency, for use in its operations on said property, and agrees to execute such applications, assurances, subordination agreements, security instruments, and other documents as such agency may require in this connection.

The Golden Cycle Corporation
MM Properties, Inc.
By Bobcat Properties, Inc.
By Rutherford Dam President

92 - '68.—Bradford Publishing Co., 1824 Stout Street, Denver, Colorado.

MINING LEASE AND OPTION TO PURCHASE

THIS INDENTURE made and entered into by and between The Golden Cycle Corporation, a W. Va. Corp, hereinafter called "Lessor", whether one or more, of Colo. Springs, Colo and Bobcat Properties, Inc, a Nevada Corp, hereinafter called "Lessee," of Reno, Nevada

WITNESSETH:

1. That the said Lessor for and in consideration of the sum of Seven Thousand Five Hundred Dollars, ($7,500.00) cash in hand paid, the receipt and adequacy of which is hereby acknowledged and of the covenants and agreements hereinafter contained has granted, demised, leased, optioned, and let, and by these presents does grant, demise, lease, option, and let exclusively unto the said Lessee, its successors and assigns, the hereinafter described lands, plants, fixtures and improvements, including all necessary rights, with the exclusive right and privilege to explore for, develop, mine (by open pit, underground, strip mining, solution mining or any other method), extract, mill, store, remove and market therefrom all minerals, metals, ores, lodes and veins, dips and spurs, all dumps, and materials of whatsoever nature or sort, hereinafter called "Leased Substances", (except only oil and gas), and of using so much of the surface of said lands as may be necessary, useful or convenient for the full enjoyment of all rights herein granted; all of said lands hereinafter referred to as "Leased Premises" with any reversionary rights therein being situated in the Atlanta Mining District, County of Lincoln, State of Nevada, and described as follows: The Atlanta Mining Properties, consisting of 12 patented claims, 173 unpatented lode claims and 2 unpatented mill site claims, power lines and water lines,

and containing approx 3,640 acres, more or less.

2. This lease shall remain in force and effect for a primary term of Four (4) years from the effective date hereof and so long thereafter as Leased Substances are being mined or processed or marketed from said premises on a continuous basis. For this purpose, mining or processing or marketing operations shall be deemed continuous so long as any of said operations do not cease for a period of more than ninety (90) consecutive calendar days. In the event Lessee is engaged in actual development of a mine but has not yet obtained actual production of Leased Substances at the end of said primary term, Lessee shall be allowed the necessary time within which to complete said mine development and obtain actual production of Leased Substances, provided Lessee diligently pursues said mine development and actual production. In the event Lessee is unable to obtain a satisfactory market for Leased Substances discovered or produced on said premises, and as a result Lessee delays commencement of mining and/or processing and/or marketing operations beyond the end of said primary term, or from time to time suspends such operations after end of the primary term hereof, then this lease shall not expire or terminate during such period of lack of market but may be extended by Lessee's continuing payment of rentals beyond the end of the primary term or by resuming such payments within ninety (90) days after a suspension of such operations occurring subsequent to the end of the primary term, provided that Lessee notifies Lessor of discovery or production of Leased Substances before end of primary term. Lessee shall use diligence in searching for a satisfactory market for the Leased Substances during such lack of market periods, and when a satisfactory market becomes available Lessee shall have the necessary time thereafter within which to complete mine development and obtain actual production of Leased Substances. Necessary time is defined as that time a prudent operator needs to develop a mining operation to obtain actual production.

3. If mining and/or processing and/or marketing of the Leased Substances is not commenced on said leased premises on or before one year from the effective date hereof, this lease shall then terminate as to both parties, unless the Lessee shall, on or before one year from the effective date of this lease, pay or tender to the Lessor ~~or for Lessor's credit in~~ $30,000 within one further year ~~Bank at~~ in four equal payments of $7,500, or ~~its successor or successors, which bank and its successors are Lessor's agents and which shall continue as the depository regardless of change in the ownership of the Leased Premises, the sum of ..... per acre for each acre of the Leased Premises in which Lessee desires to retain the leasehold interest~~, which shall grant Lessee the right to defer commencement of all operations contemplated hereby for a period of one year from such date. In like manner and upon like payments or tenders the commencement of all operations contemplated may be further deferred for like periods successively during the primary term of this lease; provided that during the primary term hereof and after commencement of operations contemplated, if Lessee suspends such operations for any reason for a continuous period of ninety (90) days or more, then this lease shall terminate on the anniversary of the effective date next occurring after the end of such ninety (90) day period of suspension unless Lessee tenders rentals as above provided on or before such lease anniversary date for the privilege of continuing such suspension for an additional one (1) year period. In like manner and upon like payments or tenders the suspension of all operations may be further continued for like periods successively during the primary term of this lease. And it is understood and agreed that the consideration first recited herein, the down payment covers not only the privileges granted to date when said rental is payable as aforesaid, but also the Lessee's option of extending that period as aforesaid, and any and all other rights conferred. All payments or tenders may be made by check or draft of Lessee or any assignee thereof, mailed or delivered on or before the rental paying date. ~~Lessee may at any time execute and deliver to Lessor a release or releases covering all or any portion or portions of the above described Leased Premises and thereby surrender this lease as to all or such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage surrendered herein is reduced by said release or releases.~~ Notwithstanding the death of the Lessor or his sucessors in interest, the payment or tender of rentals in the manner provided herein shall be binding on the heirs, devisees, executors and administrators of the Lessor his successors in interest.

4. The Lessee shall pay Lessor the following amounts for all Leased Substances sold from above described leased premises:

A royalty of Five (5) per cent of the net mill or net smelter, or net mint returns, as hereinafter defined, received by Lessee. "Net Mill or Net Smelter returns" shall mean the amount of payments received by Lessee from the mill or smelter, or other purchaser to which any Leased Substances or concentrates derived from such Leased Substances are delivered for treatment and/or sale after deduction has been made for all mill or smelter penalties and charges, freight, costs of transportation and haulage from the Leased Premises to the mill or smelter or other purchaser. "Net mint returns" shall mean the amount of payments received by Lessee from the United States Mint or authorized bullion purchaser after deduction has been made for all postage, express insurance, and other handling charges incurred in connection with the shipment of such bullion from the Leased Premises to the purchaser. Should Lessee build and/or operate its own processing or milling facilities for processing or milling the Leased Substances from said Leased Premies, no costs of such facility shall be chargeable against Lessor's royalty. Lessee guarantees that the recovery from any processing or milling facility owned or operated by Lessee shall at least equal eighty five (85) percent of the feed material as to the following Leased Substances: Gold and Silver; all royalty payments shall be based on the above recovery rate if the actual recovery rate is lower and at the actual recovery rate if said rate is higher. Any royalty payable for the sale of any Leased Substance other than those previously enumerated shall be based on the actual recovery rate. Leased substances derived from said Leased Premises may be commingled with other ores derived from other lands and the Lessor's royalty interest in the Leased Substances so commingled shall be determined in accordance with prevailing sound engineering and accounting practices. All dumps, tailings or any other waste material produced by any mining, milling, processing or other method shall be the sole property of Lessee so long as this agreement remains in effect. At Lessor's option all royalty payments shall be made by purchaser of the Leased Substances provided Lessor notifies, in writing, Lessee and purchaser prior to payment date.

5. The Lessor hereby grants to Lessee the exclusive and irrevocable right and option, during the term of this lease, to purchase all of Lessor's right, title, and interest in the above described Leased Premises for a total purchase price of $300,000 Three Hundred Thousand Dollars, CASH OR ITS EQUIVALENT IN LAND OR SECURITIES. All payments, rentals, royalties, and payments for signing this instrument, paid to Lessor pursuant to this agreement shall apply as a credit against the purchase price. The Lessee may exercise its option at any time during the term of this lease by giving Lessor written notice of such exercise. The remaining balance, if any, on the purchase price shall be paid in cash at the time Lessor delivers to Lessee a duly executed Special Warranty Deed conveying all Lessor's right, title and interest in above described Leased Premises; provided, however that Lessor shall deliver such Deed to Lessee within ten (10) days after the date of exercise. Lessor shall execute and deliver to Lessee such other documents and perform such other acts as may be necessary or may be required by Lessee in order to complete the transfer of ownership to the Leased Premises.

6. Lessor hereby warrants and agrees to defend the title to said land, and agrees that Lessee, at its option, may discharge any tax, mortgage, or other lien upon said Leased Premises, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same.

In case said Lessor owns a less interest in the above described Leased Premises than the entire and undivided fee simple estate therein, then the rentals, royalties, and payments for signing this instrument herein provided for shall be due the said Lessor only in the proportion that his interest bears to the whole and undivided fee; however, such rental shall be increased at the next succeeding rental anniversary after the acquisition of any reversionary interest or after acquired title to cover the interest so acquired, and Lessor agrees to notify Lessee in writing upon acquisition of any additional interest in the above described Leased Premises, whether it be by reversion or after acquired title, or if such additional acquisition occurs after production be obtained then the royalty shall be increased to cover the interest so acquired. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

7. Lessee shall indemnify and hold harmless the Lessor for and account of claims, demands or liabilities arising out of Lessee's contemplated operations on the Leased Premises; assume full and sole responsibility for the contemplated operations conducted on the Leased Premises, and no employee or agent of Lessee shall, under any circumstances, be deemed an employee or agent of the Lessor; perform the contemplated operations on the Leased Premises in accordance with good mining practices, good mining practices shall be determined at the sole discretion of Lessee, shall comply with the applicable laws and regulations relating to performance of mining operations on the Leased Premises and shall comply with the applicable workmen's compensation laws, and pay in full for all labor performed upon or materials furnished to the Leased Premises ordered or requested by Lessee and shall keep the Leased Premises free and clear from any and all mechanics or laborers liens except those which Lessee, in good faith, desires to contest. Lessee shall post, and keep posted, upon said Leased Premises notice to the effect that same are leased and/or optioned and that Lessor shall not, nor will said Leased Premises, be liable for any labor performed upon or material furnished to said Leased Premises as ordered or requested by Lessee. These notices shall be kept and maintained posted, at all times, in conspicuous places near each and every entrance to said Leased Premises and on the principal building and shall be printed in clear and legible characters.

8. During the term of this lease, Lessee does hereby agree to perform all assessment work required to be performed upon the mining claims by law, and does further agree to furnish Lessor with a statement of all such work in order that Lessor may prepare and record all proper affidavits, notices and other documents required by law to evidence the performance of said annual assessment work. Said affidavits, notices and other documents required by law to evidence the performance of annual assessment work may at Lessee's option be recorder by Lessee, provided Lessee notifies Lessor of its intention to so record at least thirty (30) days prior to date for recording as determined by law and furnish copies of said documents to Lessor. Lessee may locate additional new mining claims in the vicinity of the Leased Premises and Lessor agrees that any and all claims so located by Lessee during and after the term of this agreement shall not be and the same are not hereby made subject to any and all of the terms, conditions and covenants of this agreement contained herein. Lessor to have no interest in new locations made by Lessee in vicinity of Leased Premises.

9. In case of suit, adverse claim, dispute or question as to the ownership of the Leased Premises or of the rentals and royalties (or any interest therein) payable under this lease, Lessee shall not be in default in payment or rentals and/or royalties until such suit, claim, dispute or question has been finally disposed of, and Lessee shall have sixty (60) days after being furnished with the original instrument or instruments disposing of such suit, claim or dispute (or a certified copy of copies thereof), or after being furnished with proof sufficient, in Lessee's opinion, to settle such question, within which to make payment. Should the rights or interest granted Lessee hereunder be disputed, it shall not be counted against Lessee either as affecting the term of the lease (which shall be extended by the period of dispute) or for any other purpose and the Lessee may withhold the making of all payments due Lessor hereunder without interest until there is a final adjudication or other determination of such dispute.

10. For the same consideration stated herein, Lessee is hereby granted the exclusive right to use, including but not limited to, all structures, facilities, equipment, roadways, easements, licenses and all other appurtenances now existing or installed on, in or under the Leased Premises hereunder for the purpose of producing metals, ores, minerals or materials from any lands which are owned, operated or controlled adjacent to or nearby the Leased Premises, and such right to use above said facilities will continue after the expiration of this agreement for so long as the use of such facilities is required by Lessee in connection with operations on said adjacent or nearby lands; provided that, in the event such right is so continued then Lessee may extend this lease, as to the

portion of the Leased Premises necessary or convenient to the enjoyment of such right by notifying Lessor and making payment of annual rental of — 0 — per acre of the land so used in the same manner as set out in Paragraph three (3) of this agreement.

11. Lessee agrees to keep accurate records showing Leased Substances mined and/or processed and/or sold from Leased Premises and furnish annual reports to Lessor pertaining to production of Leased Substances. Lessor may have access to the Leased Premises during regular business hours, solely for the purpose of inspecting, surveying, sampling and examining Lessee's mine workings on Leased Premises, so long a such inspection, surveying, sampling and examination shall not interfere with Lessee's operation and is at Lessor's sole cost and risk; exploration workings, drill holes or other like operations of Lessee shall only be examined by Lessor with written consent of Lessee. Upon termination of this agreement under any of its provisions, Lessee will, at the written request of Lessor, furnish Lessor copies of maps showing location of drill holes and mine workings, and any analysis of samples obtained on the Leased Premises which Lessee then has in its possession, together with other geological data concerning the Leased Premises developed from Lessee's operations hereunder.

12. Failure by Lessee to perform or comply with any of the terms, provisions or conditions of this lease, expressed or implied, shall not automatically terminate this lease nor render it null and void; but in the case of such default Lessor may notify Lessee in writing of each specific breach and Lessee shall have a period of ninety (90) days after receipt of such notice within which to cure such default provided further that the period of time for remedying such matters of default shall be extended when Lessee is prevented from acting by causes beyond the control of Lessee, such as labor strikes, fires, floods, explosions, riots, unusual mining casualties, acts of God, government restrictions or orders, suspension of buying by the government where no commercial market is available, severe weather, or shortage of labor, said examples being given by way of illustration and not by way of limitation. The ninety (90) day period specified above shall be thirty (30) days if the violation or breach is of a provision or covenant by Lessee to make payments to Lessor.

13. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or division in ownership of the Leased Premises, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of this agreement. No such change or division in the ownership of the Leased Premises, rentals or royalties shall be binding upon Lessee for any purpose until such person acquiring any interest has further furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his claim of title from the original Lessor. In the event of an assignment of this agreement as to a segregated portion of said Leased Premises, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. An assignment of this agreement, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of any obligations hereunder, and, if Lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of the rentals due from such Lessee or assignee or fail to comply with any other provision of the agreement, such default shall not affect this lease insofar as it covers a part of said Leased Premises upon which Lessee or any assignee thereof shall make payment of said rentals.

14. Lessee shall have the right at any time during or within six (6) months after the termination or expiration of this lease to remove all property, fixtures or structures erected or placed by Lessee on or in the Lease Premises, but shall not remove or impair any supports placed in the underground mines or any timbers or support framework necessary to the use and support of the shafts or other entryways to the mines, or any haulageways within the mines. The compensation herein provided shall be deemed to be full payment to Lessor for any damages which may be caused to the Leased Premises by Lessee's operations hereunder so long as Lessee conducts such operation in a reasonable and prudent manner without negligence on the part of Lessee.

15. Lessor agrees to pay promptly when due all property taxes levied and assessed upon the property except as hereinafter provided, and during the term of the agreement Lessee agrees to pay promptly when due all taxes levied and assessed upon any improvements placed by Lessee upon the premises. As to severance tax, and all other taxes that are now or may be hereafter levied and computed on the amount or value of ores produced, Lessor and Lessee shall bear their pro rata share, provided the pro rata share of Lessor shall be determined by multiplying the gross amount of royalties paid unto Lessor during the taxing period by the applicable tax rate, the balance of the tax being Lessee's pro rata share. If Lessor fails to pay taxes chargeable solely to Lessor or its pro rata share of taxes when due, Lessee may, at its option pay Lessor's taxes or Lessor's pro rata share of taxes as herein defined and deduct said payment or payments from royalties or rentals due or to become due unto Lessor hereunder.

16. Lessee shall have the right to unitize, pool, or combine all or any part of the above Leased Premises with other lands, whether owned, leased or controlled by Lessee or others in the same general area by entering into a cooperative or unit plan of development or operation and, from time to time, change, modify or terminate any such plan or agreement. In the event Lessee enters into such cooperative or unit plan of development or operation there shall not be any modification of the royalty provisions of this agreement, the commencement of production on any portion of such a cooperative or unit plan created hereunder shall have the same effect upon the terms of this agreement as if production were commenced on the Leased Premises embraced by this agreement, and this lease and option shall not terminate or expire during the life of such plan or agreement. Lessor shall only receive royalty payments from his leased premises, Lessor has no right to any royalty payment from other lands in such a unit or pool. If actual production is not obtained from Leased Premises during any lease year, then Lessee shall make rental payments as stated in Paragraph three (3). In case of dispute or question of ownership of any lode, vein, spur or other deposit of Leased Substances, Lessee will pay into a court of competent jurisdiction all royalties payable from such lode, vein, spur or other deposit until ownership is determined by the court of competent jurisdiction. Lessee shall file a written cooperative or unit plan for record in the county in which such cooperative or unit plan is located.

~~17. It is recognized that the United States of America reserved the mineral and mineral rights from its patent of certain tracts~~ of land (hereinafter referred to as "Surface Tracts"), therefore, the Lessor owns no right, title or interest in and to the minerals and mineral rights in ~~such Surface Tracts. In the event that any or all of the Leased Premises be such Surface Tracts it is further recognized said Surface Tracts shall be subject to this agreement except Lessee is under no obligation and Lessor has no right to rentals with respect to said Surface Tracts nor to royalties with respect to Leased Substances mined from said Surface Tracts. If Lessee validly locates one or more mining claims, or obtains mineral lease or leases to any or all minerals from the United States of America, at any time while such Surface Tract is subject to the terms and provisions of this agreement, Lessee agrees to pay Lessor a sum (hereinafter referred to as Surface Payment) equal to one percent (1%) of the net mill or net smelter or net mint returns as defined in Paragraph four (4) of this agreement. It is specifically understood that the Lessee shall in no way be obligated to locate any mining claim or claims or lease any mineral or minerals upon, in or under any portion of said Surface Tract or having located a mining claim or claims or leased any mineral or minerals thereon, to maintain the same in force and effect.~~

18. All notices shall be deemed to have been properly given when made in writing and sent by mail or telegraph with all necessary postage or charges fully prepaid and addressed to the parties hereto as follows:

18(a) Exhibit "B" attached hereto, sets forth additional covenants which shall govern and apply in place of any printed (or inserted) paragraphs above which conflicts

LESSOR: 115 Barne SAVE, [illegible]

LESSEE: c/o Rutherford Day, Suite 606, 1[illegible]0 M St NW Washington, D.C. 20036

All notices shall be deemed to be given when deposited in the United States mail or Western Union Telegraph office and the time given the party receiving such notice shall run from the date the notice is deposited as aforesaid.

19. This agreement shall be binding upon all who execute it, whether or not named in the body hereof as Lessor, and without regard to whether this instrument or any copy thereof, shall be executed by any other Lessor named above. All who execute this agreement shall be Lessors the same as if named in the body hereof.

20. With respect to and for the purposes of this agreement Lessor, and each of them if there be more than one, hereby release and waive the right of homestead, any and all dower and similar rights conferred upon or reserved to such spouse by the laws of the state in which the Leased Premises above described are located.

IN WITNESS WHEREOF, this mining agreement is executed ~~this~~ as of the 1st day of November, 1970

The Golden Cycle Corporation
By: M. E. MacDougall
Authorized Signature

Bonnet Properties, Inc.
By: Rutherford Day President
Authorized Signature

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 29th day of October, 1970, personally appeared before me, a notary public, M. E. MacDOUGALL, who acknowledged that he executed the above instrument.

FRANCES MOLINEUX
Notary Public — State of Nevada
Washoe County
My Commission Expires Oct. 2, 1974

Frances Molineux
Notary Public in and for the
County of Washoe, State of Nevada

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 29th day of October, 1970, personally appeared before me, a notary public, RUTHERFORD DAY, who acknowledged that he executed the above instrument.

FRANCES MOLINEUX
Notary Public — State of Nevada
Washoe County
My Commission Expires Oct. 2, 1974

Frances Molineux
Notary Public in and for the
County of Washoe, State of Nevada

My commission expires..... .....
Notary Public.

P. O. .....

MINING LEASE AND OPTION TO PURCHASE

FROM

TO

STATE OF ..... } ss.
County of .....

This instrument was filed for record the ..... day of ..... A. D. 19.....
at ..... o'clock ..... M., and duly recorded in Book ..... on Page .....

Clerk.

By ..... Deputy.

RETURN TO

BRADFORD PUBLISHING CO., DENVER

Lease and Option dated November 1, 1970

Exhibit "A" to ~~Deed Dated December , 1969~~, from The Golden Cycle Corporation to ~~A & B Gold Silver Mines,~~ Bobcat Properties Inc.

Description of "Atlanta Mining Properties", consisting of twelve (12) patented mining claims and one hundred seventy five (175) unpatented mining claims, more particularly described as follows:

In Atlanta Mining District, Lincoln County, Nevada:

a) The Atlanta Group:

All of those certain mining claims described in that certain Quitclaim Deed dated July 22, 1968, recorded at Book D-1, Page 381 of the records of Lincoln County, Nevada, more particularly described as follows:

ELEVEN (11) PATENTED MINING CLAIMS, being:

Atlanta No. 1, Atlanta No. 2, Atlanta No. 3, Atlanta Strip, Atlanta Strip No. 1, Atlanta Home, Pactaolian Fraction, Sparrow Hawk, Hillside and Belle,(Survey No. 3915, Patent No. 282689); all recorded in Book "A-1", page 376 of the Official Records of the County Recorder of Lincoln County, State of Nevada; and

Minnett and Hays No. 1, (Survey No. 3290, Patent No. 328251), recorded in Book "B-1", page 37 of the Official Records of the County Recorder of Lincoln County, State of Nevada;

SIXTY-~~ONE (61)~~ Sixty one (61) UNPATENTED MINING CLAIMS, being:

Gem Nos. 1 to 5 inclusive; Eastline Nos. 1 to 7 inclusive; Atlanta Star Nos. 1 to 3 inclusive; Mid and Mid Nos. 1 and 2; Millsite; Millsite Nos. 1, 3, 4, 5, and 8; Moab Nos. 1 to 12 inclusive; Townsite Nos. 1 to 15 inclusive; Minnett & Hayes Nos. 2 to 6 inclusive; Sunday Nos. 1 to 4 inclusive; and Moab;

SIXTY-FIVE (65) UNPATENTED MINING CLAIMS, being:

Cabin Strip, recorded in Book R-1, Page 191; Ajax Nos. 1 to 10 inclusive, recorded in Book R-1, pages 76, 77, 187, 188, 189, 190; Cabin Nos. 3 to 20, inclusive, recorded in Book R-1, pages 192 to 199; Cedar Strip, recorded in Book R-1, page 191; Cedar Nos. 1 and 2, recorded in Book R-1, page 190; Eagle Nos. 1 and 2, recorded in Book R-1, page 352; Westline Nos. 1 to 10, inclusive, recorded in Book R-1, pages 72, 73, 74, 75 and 76; Jean Bee, recorded in Book R-1, page 321; Jean Nos. 1 to 20, inclusive, recorded in Book R-1, pages 102, 321 to 329, inclusive all recorded in the Official Records of the County Recorder of Lincoln County, State of Nevada;

b) The Conway and Bradshaw Group:

All of those certain mining claims described in that certain Deed dated November 30, 1966; recorded in Book D-1, page 355 of the records of Lincoln County, Nevada, more particularly described as follows:

ONE (1) PATENTED MINING CLAIM SPECIFICALLY DESIGNATED AS:

Conway and Bradshaw lode mining claim, U. S. Survey No. 37, Mineral Certificate No. 3, as recorded in the office of the County Recorder of Lincoln County, Nevada, in Book "C-1" of Miscellaneous at Page 328.

"EXHIBIT A"

A TOTAL OF THIRTY-SIX (36) UNPATENTED MINING CLAIMS SPECIFICALLY DESIGNATED AS:

Blue Bird Nos. 1 to 17 inclusive
Big Four
Big Four Nos. 1 to 5 inclusive
Phil D
Bradshaw Nos. 1 to 12 inclusive

as recorded in the office of the County Recorder of Lincoln County, Nevada;

c) The Lucky Dog Group:

All of those certain mining claims described in that certain deed dated June 5, 1967, recorded at Book D-1, Page 359, of the records of Lincoln County, Nevada, more particularly described as follows:

Six (6) unpatented mining claims being Minnie, Tip Top, Lucky Dog, Lucky Dog No. 1, Lucky Dog No. 2, and Lucky Dog No. 3, all as recorded in the office of the County Recorder of Lincoln County, Nevada;

d) The Ridge Group:

All of those certain mining claims described in that certain deed dated August 25, 1965, recorded at Book D-1, Page 332 of the records of Lincoln County, Nevada, more particularly described as follows:

Four (4) unpatented mining claims being Ridge Nos. 1 to 4, inclusive, location certificates recorded at Book R-1, Pages 130, 131 and 132, Lincoln County, Nevada, records; and

e) The Hogan Group:

The following unpatented mining claims in the Atlanta Mining District, Lincoln County, Nevada:

Claim	Book and Page
Hogan	Book W-1, Page 268
Lake Valley Mill Site	Book W-1, Page 211
Lake Valley Mill Site No. 2	Book W-1, Page 311

Together with all water, ditches, flumes, pipelines, power and telephone lines, roadways, water permits, and specifically U.S.B.L.M. ~~[illegible]~~ Rights of Way - Nevada 065912 and Nevada 066707.

[illegible]

"EXHIBIT B" TO MINING LEASE AND OPTION TO PURCHASE, DATED NOVEMBER 1, 1970, BETWEEN THE GOLDEN CYCLE CORPORATION AND BOBCATE PROPERTIES, INC.

A) The rental provided in Paragraph 3 (Thirty Thousand Dollars ($30,000.00) per year) may be paid quarterly, on February first, May first, August first and November first of 1971, and succeeding years during the primary term, Seven Thousand Five Hundred Dollars ($7,500.00) on each such date;

B) The rental provided in Paragraph 3 and in A above, may be reduced by Four Thousand Five Hundred Dollars ($4,500.00) per quarter, provided that at least the amount of such reduction is actually spent by Lessee on the leased premises in the form of work of the type which will satisfy annual labor and assessment work requirements. In no event shall the payments be less than Three Thousand Dollars ($3,000.00) per quarter or Twelve Thousand Dollars ($12,000.00) per year;

C) Notwithstanding Paragraph 5, if Lessee is not in production and paying royalties to Lessor on or before November 1, 1972, delay rentals (Three Thousand Dollars ($3,000.00) to Seven Thousand Five Hundred Dollars ($7,500.00) per quarter) made on November 1, 1972 and thereafter shall not apply as a credit against the purchase price;

D) The balance of the purchase price to be paid, pursuant to Paragraph 5, "in cash" may be made in cash or its equivalent. Equivalent shall mean negotiable stock or bonds, or real estate, free and clear, at the then fair market value as established by appraisal by two (2) competent appraisers (one (1) appointed by each party);

E) The parties recognize that Lessor does not own the mill presently located on the claims (Ridge 1, Ridge 2, Bludebird Fraction, Bluebird 15, Bluebird 16, and Atlanta Star No. 3), and the owner

"EXHIBIT B" (continued)

of the mill (Aztec Mining) has permission of Lessor to leave the mill on the premises until April 15, 1971, and Lessee agrees not to complain of such arrangement and that its possession shall not extend to said mill until after April 15, 1971;

F) "Special Warranty" as used in Paragraph 5 shall mean a quitclaim deed with a warranty by Lessor against all persons claiming through, by, or under Lessor;

G) FEDERAL LOANS OR ADVANCES

Lessor does hereby consent and agree to assist and cooperate in any application or effort by Lessee to obtain money from the Office of Mineral Exploration Agency of the United States, or any successor to such agency, for use in its operations on said property, and agrees to execute such applications, assurances, subordination agreements, security instruments, and other documents as such agency may require in this connection.

Bobcat Petroleum Corporation
By:
Robert Paul Dorsey, President
Bobcat Petroleum, Inc.

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

November 14, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 16 1972

INITIALS	CODE
gla	130
HK	~~120~~
Plant	~~RAW~~
	220

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Office
Region II

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Enclosed is a summary-type Final Field Report for the subject exploration project.

H. K. Stager

Enclosure

FINAL FIELD REPORT - OME EXPLORATION PROJECT

By H. K. Stager, Field Officer, Region II

November 14, 1972

1. OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Operator: Bobcat Properties, Inc.
Mr. Rutherford Day, President
1730 M Street, N.W., Suite 606
Washington, D. C. 20036

Property: Consists of 11 patented lode mining claims and 2 unpatented lode mining claims in secs. 14 and 15, T. 7 N., R. 68 E., MDBM, Atlanta Mining District, Lincoln County, Nevada. These claims are shown on a map attached to the contract and are recorded as follows:

Patented Claim Name	U. S. Survey No.
Atlanta No. 1	3915
Atlanta No. 2	3915
Atlanta No. 3	3915
Atlanta Strip	3915
Atlanta Strip No. 1	3915
Atlanta Home	3915
Pactaolian Fraction	3915
Sparrow Hawk	3915
Hillside	3915
Belle	3915
Minnett and Hays No. 1	3290

Unpatented Claim Name	Book	Page
Mid No. 1	Q-1	52
Mid No. 2	W-1	297

Ownership: The Operator was in possession of the claims under the terms of a Mining Lease and Option to Purchase agreement, dated November 1, 1970, between The Golden Cycle Corporation, lessor and owner, and Bobcat Properties, Inc., lessee. A Lien and Subordination Agreements executed by the owner of the claims was attached to the contract.

2. Purpose of Project: The purpose of the project was to explore by rotary drilling from surface sites for gold- and silver-bearing ore in a silicified breccia zone in dolomite of Ordovician age.

3. Contract: Dated April 27, 1971, for a term of 6 months.
Original contract amount - $40,000.00.
Government participation - 75 percent, $30,000.00.

Amendments: None

Termination Agreement, December 2, 1971, to terminate the contract effective October 27, 1971.

4. Project Work: Started April 28, 1971. Terminated effective October 27, 1971.

Cost Items	Authorized			Completed	
	Units	Rate	Amount	Units	Amount
Bulldozing access roads and drill sites, and restoring surface of land	130 hrs.	$15/hr.	$ 1,950.00	117 hrs.	$ 1,755.00
Mobilization and demobilization of drill rig	Job	$500	500.00	Job	500.00
Rotary drilling	5,000 ft.	$5.50/ft.	27,500.00	1,680 ft.	9,239.50
Casing lost in hole	50 ft.	$3/ft.	150.00	0	0
Supervisor-Engineer	3 mos.	$1,000/mo.	3,000.00	2.45 mos.	2,450.00
Geologic Consultant	10 days	$125/day	1,250.00	7 days	875.00
Laborer	360 hrs.	$3.50/hr.	1,260.00	241 hrs.	843.50
Per diem, Geologic Consultant	10 days	$25/day	250.00	6 days	150.00
Transportation, Geologic Consultant	3,000 mi.	12¢/mi.	360.00	3,000 mi.	360.00
Transportation, Supervisor	2,000 mi.	12¢/mi.	240.00	2,645 mi.	316.20
Office and accounting expenses	4 mos.	$100/mo.	400.00	4 mos.	400.00
Payroll taxes, F.I.C.A., ins.			640.00	95	95.00
Assaying for gold and silver	500 spls.	$4/spl.	2,000.00	138	483.00

4. Project Work - Continued

Cost Items	Authorized Units	Authorized Rate	Authorized Amount	Completed Units	Completed Amount
Freighting and handling samples	500 spls.	50¢/spl.	$ 250.00	138	$ 69.00
Sample bags or containers	500	50¢/each	250.00	300	30.00
Total Estimated Cost of Project			$40,000.00		$17,566.20
Government Participation at 75%			$30,000.00		$13,174.65
Paid to the Operator					$13,174.65

The Government retained no equity in any of the materials used.

Effectiveness of the Work - The most favorable target areas were adequately explored.

Efficiency of the Operator - The work was not done in an efficient manner. Many unnecessary delays were caused by the Operator's inexperience and poor management.

5. Reports:

Operator's Final Report - An acceptable Final Report was received on January 7, 1972.

Cost Review - A Report of Review was prepared by the Office of Survey and Review in February 1971. This review questioned several items that had been paid and led to considerable correspondence and requests for additional supporting data from the Operator. These questions were finally resolved and an overpayment was settled by withholding $165.00 of the $200.00 due the Operator on his last voucher.

Final Audit - A final audit was not requested. The final voucher was paid on December 20, 1971, with the exception of $200 that was withheld. Final settlement was made in November 1972 when payment of $35.00 to the Operator was authorized.

Royalty Review - There was no production sold and no royalty was due the Government. A royalty review was not requested.

6. Project Results:

Discoveries - There were no significant discoveries of gold- or silver-bearing material. Maps, drill logs, and assays were attached to the Operator's monthly reports. Assays for the 138 samples obtained from the drill hole cuttings indicated a gold content of less than 0.03 ounce per ton and a silver content of less than 1.36 ounces per ton. No ore reserves were discovered or inferred as a result of the work. Future production is probably not feasible and future development and exploration are not warranted.

Certification - The OME work did not result in a discovery of minable ore and certification was not recommended. The Operator was notified on November 3, 1972, that the Government retains no claim or lien against the property.

Production - There was no ore mined or stockpiled during the period of the contract.

Royalties - There was no ore sold and no royalties were paid or due the Government.

7. Geologic Summary: - The ore body that has been mined at Atlanta consists of gold- and silver-bearing silicified breccia zones in limestones and dolomites of Ordovician to Devonian age. It strikes about N. 20° W., dips 35°-60° W., is 50-150 feet in thickness, about 750 feet in length, and has been developed to a depth of about 300 feet. The gold and silver are in submegascopic particles in a dolomite breccia that has been intensely silicified. Much of the ore consists of more than 90 percent silica with some calcite, barite, iron and manganese oxides, as well as breccia fragments of dolomite and limestone. Traces of uranium, lead, zinc, and copper are also contained in the ore. The ore body contains more than a million tons of developed ore with an estimated average grade of 0.14 ounce of gold and 1.8 ounces of silver per ton. Total value of production is $135,065 from 26,957 tons of ore that yielded 3,725 ounces of gold and 4,700 ounces of silver.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

NOV 1972

Mr. W. T. Wells
President
The Golden Cycle Corporation
P. O. Box 4576
Colorado Springs, Colorado 80909

Re: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Dear Mr. Wells:

This correspondence relates to the Lien and Subordination Agreements signed by you on November 23, 1970, under the Office of Minerals Exploration program.

We have today advised Mr. Rutherford Day, President, Bobcat Properties, Inc., that inasmuch as the work performed under the contract did not result in a certification of possible production, the Government retains no claim or lien against the property subject to the contract or any future production therefrom.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME Docket ✓
OME Reading File
OME Region II
Mr. Kirkemo
130

GLAult/a 11-3-72

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

November 3, 1972

Memorandum

To: Chief, Branch of Financial Management

Froj: Chief, Office of Minerals Exploration

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

The review of the Operator's answers to our questions regarding unsupported claims noted in the audit Report of Review issued February 1972 has been completed. It is recommended that $35.00 be released to the Operator from the $200.00 withheld from payment on the Operator's October 1971 voucher, and the account closed. Copies of the letter forwarded today to the Operator and the Report of Review issued in February 1972 are enclosed for your records.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket ✓
OME Reading File
OME Region II
Mr. Kirkemo
130

GLAult/a 11-3-72

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Mr. Roberts	

OCT 13 1972

Memorandum

To: Regional Director, Audit Operations, Region I, Office of Survey and Review

From: Chief, Office of Minerals Exploration

Subject: Report of Review - Contract 2295
Docket No. OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada

Copies of the subject Report of Review were furnished the Field Officer, OME Region II, and the Operator. The Report questioned costs totalling $655 because of the lack of supporting documentation.

In reply to our request for adequate documentation, the Operator furnished a summary of the questioned claims with itemized listings of various costs charged to the OME project and a copy of an invoice. Bills and cancelled checks for a number of items are on file in the Operator's office. We reviewed the information submitted, and, with one exception, accept the material as satisfactory evidence that the costs were incurred, and that the material and services were necessary for the successful completion of the project. The exception is the claim of $250 for sample bags. In our memorandum to you of April 4, 1972, we noted that the Operator had substituted plastic bags for canvas bags. For reasons stated in the memorandum we recommended allowing $30 of the total claim for sample bags and we reaffirm this action.

In summary, we are closing this account by approving release of $35 to the Operator from the $200 withheld from payment on the October 1971 voucher. The details are as follows:

Costs questioned by auditor	$655
Approval for payment reaffirmed	435
Balance to be disallowed	220
Government share @75%	165
Payment withheld from operator's voucher for October 1971	200
Government share of disallowance	165
Balance to be paid Operator	$ 35

The auditor's question about paying bills "in the ordinary course of business" is of great concern also to most OME operators. Many have funds sufficient only to pay their share, usually 25 to 50 percent, of the total costs, and must await receipt of the Government's payment before they can pay bills in full. As 3 to 5 or 6 weeks may be required to process and pay vouchers for completed work, payments of bills are correspondingly delayed. The "ordinary course of business" for most operators, therefore, includes a period of delay in settling accounts - a period of necessity, not of neglect.

We do not question an Operator about his bills unless a contractor or supplier asks us about unpaid bills. As we may not know the accuracy of the bills in question, and do not have the authority to demand that bills be paid, we can only urge the Operator to promptly pay approved bills.

We are not staffed or funded to the extent necessary to determine that an Operator's records are "adequate to account for OME contract expenses and that the Operators generally pay bills in the ordinary course of business." Normally, the only records we examine are the supporting documents accompanying vouchers. Other incurred costs if not documented by bills or receipts, are verified by knowledge acquired through field inspections of workings, drill core and cuttings, and other evidence that the work was completed satisfactorily. Our approval of the undocumented claims under the subject contract was based on field knowledge of the project work.

Harold Kirkemo

Harold Kirkemo

cc: Director's reading file
Mineral Resources
OME reading file
Region II
Mr. Kirkemo

HKirkemo/cac 10/13/72

BOBCAT PROPERTIES, INC.
(EASTERN DIVISION)
1203 ROSS DRIVE, S.W. VIENNA, VIRGINIA 22180
703/938-2853 – 301/652-7748

September 18, 1972

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O. M. E.
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SEP 20 1972
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120

Mr. Harold Kirkemo
U. S. Department of the Interior
Geological Survey
Room 865 Matomic Building
1717 H Street, N. W.
Washington, D. C.

RE: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Dear Mr. Kirkemo:

This is in response to your letter of August 30, 1972 regarding the disallowances noted in the review as unsupported claims in the above stated contract. We regret the delay in getting the additional information to you so that you might close your records.

As set forth in the contract review (audit operations) of February, 1972, on pages two and three, the following data is submitted:

Questioned Costs

1. The $25.00 item of June salary for the Supervisor-Engineer was erroneously charged, as Mr. Day previously informed the auditors.

2. Regarding the June mileage of $12.00 disallowed, we cannot support this item for the reason that the records are in Nevada, and Mr. Hulse (the Supervisor-Engineer) is in California. Attempts to document this small item would occasion further delay in your closing your file, therefore, claim for the $12.00 is withdrawn.

3&4. Regarding the freight and handling and the sample bags and containers, we have been unable to locate receipts for cash to document the $69.00 and $250.00 charges. However, as shown on the attached revised final invoice from Mr. Hulse, the $14.00 amount paid to Chet Sanburg represents costs of freight and handling.

5. The amount questioned for office and accounting was $299.00. You will find attached a recapitulation

My recommendation 10-4-12

Disallow 220.00 sample bags

allow 30.00 sample bags.

allow 12.00 mileage

allow 69.00 freight

allow 299.00 office accounting

410.00 allow

655.00
220
453
673.00

R.W.

of long distance telephone calls, totaling $110.00, which were made on behalf of Bobcat Properties, Inc., for the period April 29 through October 10, 1971. The calls were charged, as the breakdown shows, to three different telephones. As mentioned in the review the auditors saw the telephone bills, but at that time no recapitulation had been made of the amounts specifically chargeable to Bobcat Properties.

There is also enclosed a recapitulation of the sums paid to me for the months of May, June, and July 1971, totaling $450.00 for secretarial and accounting services. Two thirds, or $300.00 was for work performed on behalf of Bobcat Properties. We have cancelled checks to substantiate the allowable sum.

Thus, we can fully support $410.00 ($300.00 secretarial services and $110.00 telephone calls) in response to the $299.00 question as set forth in item five.

Further, rent on the Washington office, where Bobcat Properties business was conducted for the months of May, June, July, August, September, and October 1971 amounted to $250.00 per month, some portion of which should be considered a reimburseable expense. Though some business, other than Bobcat Properties' was conducted, during those months a very substantial portion of time was spent on behalf of Bobcat Properties. Total office rental for the Washington office amounted to $1,500.00. We would like to know if a fair portion, to be determined by your office, would be allowable.

Please let us know if any further information is required.

Sincerely yours,

Barbara Wadsworth

Barbara Wadsworth
for: Rutherford Day, President
BOBCAT PROPERTIES, INC.

Encls: 3

RECAPITULATION OF TELEPHONE CALLS CHARGEABLE TO BOBCAT PROPERTIES, INC., DURING PERIOD APRIL 29, 1971 THROUGH OCTOBER 10, 1971

Calls from home phone, Bethesda, Maryland

Date 1971	Location	Amount
4/29	Pioche, Nevada	.85
5/6	" "	2.10
5/27	" "	1.35
5/31	" "	1.35
6/3	" "	.85
6/4	" "	6.50
6/5	" "	10.80
6/5	Carlin, Nevada	.70
6/13	Pioche, Nevada	3.50
6/27	Pioche, Nevada	3.50
6/30	" "	3.75
8/9	" "	3.35
8/25	Battle Mount, Nevada	12.15
9/9	Pioche, Nevada	2.55

Calls from Virginia office phone, McLean, Virginia

6/1	Elko, Nevada	3.15
6/1	Carlin, Nevada	7.65
6/22	Pioche, Nevada	13.45
6/30	Las Vegas, Nevada	6.10
6/30	Reno, Nevada	3.55

Calls from Washington, D. C. office

4/30	Reno, Nevada	5.40
6/4	Reno, Nevada	2.70
7/10	Las Vegas, Nevada	4.15
9/17	Lode Valley, Nevada	2.40
9/24	Ely, Nevada	.90
9/281	" "	1.95
10/1	Las Vegas, Nevada	.85
10/6	Pioche, Nevada	1.05
10/10	Las Vegas, Nevada	3.40
	Total	110.00

RECAPITULATION OF SUMS PAID TO
BARBARA WADSWORTH
413 Prince Street
Alexandria, Virginia 22314

by

Rutherford Day
BOBCAT PROPERTIES, INC.
1730 M Street, N. W.
Washington, D. C.

Secretarial services: (Part-time)

May 1971	$150.00
June 1971	150.00
July 1971	150.00
	$450.00

Paid by Guaranty Bank checks G2275
and G2370

Barbara Wadsworth

REVISED INVOICE

PHIL HULSE

MINING ENGINEER
Pioche, Nevada 89043

Nov. 1, 1971

INVOICE
+++++++

To: Rutherford Day, President
BOBCAT PROPERTIES, INC,
Suite 606
1730 M Street N.W.
Washington, D.C. 20036

FINAL BILLING
- - - - - - -

This REVISED INVOICE covers all expenses due and payable for Engineering Services, Equipmental Rental, and other related expenses:

1/ Balance due Sept.1971- $124.83

2/ Balance due November 1971 (CMH Invoice)- - - - - - - - - - $1188.65
Less-Sample freight & handling - - - - - - - ($48.50)SUBTRACT
Add- Amount due Chet Sanburg- - - - - - - - - - $14.00

$1278 98

rm 7

OFFICIAL FILE COPY

Date	Surname	Code

AUG 30 1972

Mr. Rutherford Day
c/o Mrs E. Plaseied
1203 Ross Drive S. W.
Vienna, Virginia 22180

Re: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Dear Mr. Day:

Until my conversation by phone today with Mrs. Plaseied, we had received no word about you since you were in our offices in the Interior Building on or about June 30, 1972, and picked up a copy of the Report of Review dated February 1972 on the subject contract.

We are anxious to close our records on this contract, and would appreciate prompt submittal of any records or documents you may have assembled to correct some of the disallowances noted in the review as unsupported claims.

Our offices now may be reached at Room 865, Matomic Building, 1717 H Street N. W., Washington, Our telephone number remained unchanged (343-5371).

We look forward to seeing you soon.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo

cc: Director's reading file
Mineral Resources
OME reading file
Region II
Mr. Kirkemo

HKirkemo/cac 8-30-72

ms Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

June 14, 1972

REGISTERED MAIL--ADDRESSEE ONLY
RETURN RECEIPT REQUESTED

Mr. Rutherford Day
President
Bobcat Properties, Inc.
1730 M Street, N. W., Suite 606
Washington, D. C. 20036

Re: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Dear Mr. Day:

We have received an audit report on the subject contract in which questions are raised with respect to documentation of certain costs incurred and paid. The questions have been discussed with the auditor but are not yet settled. In the hope that I could discuss them with you and perhaps obtain the necessary documentation to support the claims, I have tried on several occasions to contact you by telephone, but without success. Would it be convenient for you to visit this office in the near future, say by June 23? I am sure that we could mutually benefit from a discussion of the questions in the report, and reach agreement for final settlement of this contract.

The two major questions concern the unsupported claims of $250.00 for 500 sample bags and $299.00 for office and accounting expenses. In addition to the question by audit about receipts for sample bags, we question the substitution of plastic bags costing about 10 cents each for canvas bags at 50 cents each. The use of plastic bags instead of canvas bags was noted by the Field Officer when he visited the project on October 16, 1971. On an actual cost contract, the Government can allow only the actual unit cost paid for an item but not exceeding the unit price established in the contract. Therefore, we can allow only a small portion of the amount originally approved for sample bags.

I understand that the inadequacy of records for office and accounting expenses was mentioned to you at the time of the audit. Since then, perhaps you have been able to collect the necessary documents.

I look forward to discussing with you the items in question sometime next week.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading file
OME Region II
Mr. Kirkemo

HKirkemo/gla 6-14-72

MME Form 7
(2/63)

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Date	Surname	Code
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4-4	Weeks	
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April 4, 1972

Memorandum

To: C. D. Bare, Regional Director
Audit Operations - Region I

From: Chief, Office of Minerals Exploration

Subject: Comments on
Draft of Report of Review
OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Contract 2295

The following comments are offered concerning the items and costs questioned in the draft of a Report of Review dated February 1972 on the subject contract. The items and costs in question are numbered 1 through 5 as they are listed on page 2 of the draft review.

1. Supervisor-Engineer, June 1971 salary $25.00

The item actually questioned is the Jean Lee claim map and whether its cost, $25.00, was charged to OME.

Mr. Phil Hulse, Supervisor-Engineer, billed the Operator for five days of work in June 1971 for a total of $250.00 at the rate of $50.00 per day. The Operator claimed only $225.00 for these services on the April-May-June 1971 voucher. Mr. Hulse's additional billing of $25.00 to prepare the Jean Lee claim map was not claimed by the Operator on its voucher to the Government. Accordingly, we reaffirm our approval of the Operator's claim of $225.00 for Supervisor-Engineer for June 1971.

2. Supervisor-Engineer, June 1971 mileage $12.00

The Operator showed a transportation claim for the Supervisor-Engineer in June 1971 part of which actually was incurred in May. As the voucher covered a 3-month period, April-May-June 1971, and the Operator's total claim for transportation for the Supervisor-Engineer was considerably less than the contract allowed, as shown below, we approved the claim.

Total transportation claims by Supervisor-Engineer May-June 1971	728 miles @ 15¢/mile	$109.20
Trips for persons other than the Supervisor-Engineer	78 miles	11.70
Net	650 miles @ 15¢/mile	$97.50

Net allowable on OME Contract	650 miles @ 12¢/mile	78.00
Totals claimed and allowed on April-May-June 1971 voucher	542 miles @ 12¢/mile (rounded)	65.00
Allowable but not claimed by Operator	108 miles	$13.00

We believe, therefore, that our approval of the claims was proper under the circumstances. The Operator did not claim the full amount to which he was entitled.

3. Freighting and handling $69.00

Charges for freighting and handling were shown on the Supervisor-Engineer's invoice to the Operator to be $16.00 for 32 samples as of October 1, 1971, and $53.00 for 106 samples as of November 1, 1971. These charges were claimed on the Operator's voucher for July-August-September 1971, and October 1971, respectively. Assay certificates for at least 138 samples were submitted, so there is no question that the samples were shipped to the assay office. Shipment charges would have to be prepaid at the time shipment was made, and these were paid by the Supervisor-Engineer and charged to the Operator. We reaffirm that the charges were proper and allowable under the contract.

4. Sample bags or containers $250.00

The contract allowed $250.00 for sample bags or containers at 50 cents each. The Operator claimed 500 sample containers at 50 cents each on the voucher for July-August-September 1971 and submitted the invoice for this item and amount from the Supervisor-Engineer. This was approved by Mr. R. M. Smith, Survey geologist, on behalf of the OME Field Officer on October 6, 1971. We assert that the documentation for this claim was proper, but we question the substitution of materials used as explained below.

The Field Officer visited the project site on October 16 and noted that sample bags were on hand as claimed but that plastic sample bags were being used instead of canvas bags. This observation is made in the Field Officer's final report which is completed but not transmitted pending the results of this audit. We had assumed that canvas bags would be used when the contract was prepared as they have several important advantages over plastic bags. Plastic bags are not as expensive as canvas bags--probably costing not more than 10 cents each in the small quantity purchased for this project. The Field Officer estimates that about 300 bags at an estimated cost of 10 cents per bag were used on the project, for a total cost of $30.00 (Government share $22.50), which we recommend be allowed for this item.

5. Office and Accounting $299.00

The Operator submitted the required reports, vouchers, and maps during the course of the project, and obviously this accomplishment required the use and expense of telephone, postage, drafting and surveying facilities and services, secretarial services, accounting, duplicating services, office supplies, and other incidental items or services. We approved the claims for office and accounting as they did not exceed the allowable cost for this item, and the products expected by the Government were prepared and submitted by the Operator.

It often is impractical for an Operator to establish a separate bookkeeping account for office and accounting costs for a small OME project which is accommodated within an existing business office. A major difficulty is the apportionment of small costs incurred on an OME contract such as costs for a few copies of material printed on an office duplicating machine, local telephone calls, stationery, and office supplies. It would be impractical for the Government to regularly review such accounts if they were established because the offices of most Operators are not at the site of the project. In preparing this or any other contract, it is impossible for either the applicant or the Government to predict what individual items or services will be used in an office for purposes of the OME project. Accordingly, the general term "office expenses" is used and reasonable charges thereto are accepted.

We reaffirm our approval of the Operator's claims for office and accounting.

In summary, our recommendations are as follows:

Questioned Items and Costs		OME Recommendation
1. Supervisor-Engineer, June salary	$25.00	Reaffirm payment of voucher.
2. Supervisor-Engineer, June mileage	12.00	Reaffirm payment of voucher.
3. Freighting and handling	69.00	Reaffirm payment of voucher.
4. Sample bags or containers	250.00	Disallow $220.00, allow $30.00.
5. Office and accounting	299.00	Reaffirm payment of vouchers.
Totals	$655.00	Reaffirm approval of first $435.00 and disallow remaining $220.00 (Government share $165.00).

A balance of $200.00 was withheld from payment on the Operator's October 1971 voucher pending receipt of the Operator's final report. This report has been received and accepted, but we have not released the $200.00 pending completion of audit. On the basis of our recommendations in the above summaries, we would release only $35.00 ($200.00 less $165.00) to the Operator for the reason noted under Item 4, Sample bags or containers.

Operator's Records and Accounts

The Operator's record of expenses, though incomplete, documented most of the bills to the Operator and many of his own bills chargeable to the contract.

Under present budgetary constraints on the OME program, we cannot make monthly visits to the project sites or support personnel to make field audits and monitor an operator's business practices with reference to payment of bills incurred on OME contracts. It is not uncommon for operators to have to defer payments to personnel and contractors until reimbursement is received from the Government. Nevertheless, we mentioned to the Operator of this contract that we understood some bills had not been paid in full, and he informed us that he was awaiting payment from the Government before paying some of his bills.

An Operator whose performance on an OME contract has been judged considerably less than satisfactory is not favorably considered for additional OME contracts. The Operator of this contract, though judged to be desultory in documenting his expenses, was not so deficient in performance that we would consider him to be unqualified for consideration should he apply for another loan.

The draft copy of the Report of Review is enclosed. We have shown with red pencil references to these comments, other suggested comments or corrections, and changes in Exhibit A if the above recommendations are accepted.

Harold Kirkemo

Harold Kirkemo

Enclosure

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region II
Mr. Kirkemo

HKirkemo/gla 4-4-72

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

March 24, 1972

ORIGINAL COPY
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| |

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

I have checked the draft of the Cost Review on the subject contract as you requested, and have the following comments to make regarding the questioned costs noted in the review:

Item 1--salary for supervisor-engineer--invoices show 4 days in May and 5 days in June worked by Mr. Hulse and at $50 per day this would total $450, but only $400 is claimed--I do not think we should disallow $25.

On Item 2--mileage--the May invoice shows two trips to the property and the June invoice shows one trip for a total of 300 miles or $36, but $56 is claimed, including mileage to and from the Williams Guest Ranch and to and from the Pioche air field. The trips to the guest ranch and Pioche air field were for the convenience of Mr. Day and $20 probably should not be allowed.

Item 3--freighting and handling samples--$69 was charged by Mr. Hulse and shown on his invoice ($16 in September on the October 1 invoice and $53 in October on the November 1 invoice). These charges were proper and allowable under the contract.

Item 4--sample bags or containers--$250 was shown on Mr. Hulse's invoice of October 1 (500 sample bags at 50¢ each). The charge was for canvas bags, but the bags I saw in use at the project were plastic. A total of 138 samples were taken, and two bags were used per sample or 276 bags. These plastic bags cost about 5¢ each (when purchased in large quantities by the U.S.G.S.) and

probably did not cost Mr. Hulse more than 10¢ each in the small quantity purchased by him. Some bags were damaged in the field, but probably a total of not more than 300 bags were used or about $30 worth. Disallowance of $220 would be proper for this item.

For Item 5--office and accounting costs--this item should have been a fixed unit cost, as it is on most of our contracts, inasmuch as it is impracticable to keep track of all the miscellaneous small costs such as telephone calls, postage, drafting and surveying supplies, typing, accounting, photocopying, etc. A certificate from Mr. Day that he spent at least $100 per month on office expenses should be sufficient.

If we disallow $20 in mileage and $220 for sample bags, the Government's share of $240 is $180. We still owe Mr. Day $200 withheld from the last voucher, so we could probably pay him only $20 and call it even.

H. K. Stager

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

January 11, 1972

OFFICIAL
COPY
O. K. E.
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INITIALS | CODE
Cac | 120 M
gla | 130
HK | 120

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Enclosed are two copies of the Operator's Final Report for the subject contract received in the Field Office on January 7, 1972. I recommend that the report be accepted and the $200, being withheld pending receipt of a final report, be paid to the Operator.

The completed work did not result in the discovery of significant mineralization and a Certificate of Possible Production is not warranted or recommended.

A final cost review should be requested.
requested 12/22/71, & assigned for audit

R. M. Smith
for H. K. Stager

Enclosures

REGISTERED NO. 22008

Value $	Special Delivery $
Reg. Fee $	Return Receipt $
Handling Charge $	Restricted Delivery $
Postage $	☐ AIRMAIL
POSTMASTER (By)	

Form 3806 Delivery Receipt

POSTMARK OF

NORTHERN VIRGINIA
JUL 12 1972
MAILING OFFICE

FROM
U.S. Geological Survey
U.S. Dept of The Interior
Office of Minerals Exploration

TO
Mr Rutherford Day
1203 Ross Dr
Vienna VA 22180

twPC 20,240

☆ G.P.O.: 1970—406-950

SAVE THIS RECEIPT FOR REGISTERED MAIL

COVERAGE---Domestic insurance for registered mail is limited to (1) the value of the article at the time of mailing or the cost of replacement if lost or totally damaged, or (2) the cost of repairs. Coverage may not exceed the limit fixed for the registry fee paid. Consult postmaster for additional details of insurance limits and coverage for domestic registered mail.

FILING CLAIM---Claim must be filed within 1 year from the date of mailing. Present this receipt and submit evidence of value, cost of repairs, or cost of duplication.

FOREIGN COUNTRIES---Consult postmaster as to insurance coverage on registered articles addressed to foreign countries.

GPO 1970—406-950

PS Form 3806, Oct. 1970

UNITED STATES POST OFFICE

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE $300

U.S.MAIL

REGISTRY SECTION
SCF NORTHERN VA 22081

OFFICIAL BUSINESS

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U.S Geological Survey
U.S. Dept of The Interior
Office of Minerals Exploration
WDC
20240

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

Print your name and address below. If you want to restrict delivery, or to have the address of delivery shown on this receipt, check block(s) on other side. Moisten gummed ends and attach this card to back of article.

RETURN TO

U.S.Geological Survey
Office of Minerals Exploration
Matomic Bldg. - Rm. 853
Washington, D. C. 20242

Day-6833

POD Form 3811 Apr. 1969 c55—16—71548-11

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S).
REQUIRED FEE(S) PAID.

☐ Show to whom, date and address where delivered

☒ Deliver ONLY to addressee

RECEIPT

Received the numbered article described below.

REGISTERED NO.	SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)
CERTIFIED NO.	SIGNATURE OF ADDRESSEE'S AGENT, IF ANY
INSURED NO.	
DATE DELIVERED	SHOW WHERE DELIVERED (*only if requested*)

o55—16—71548-11 347-198 GPO

SENDER: Be sure to follow instructions on other side

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S)
(Additional charges required for these services)

☐ Show to whom, date and address where delivered

☒ Deliver ONLY to addressee

RECEIPT

Received the numbered article described below

REGISTERED NO.
22008

CERTIFIED NO.

INSURED NO.

1 SIGNATURE OR NAME OF ADDRESSEE *(Must always be filled in)*
Rutherford Perry

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED
JUL 14 1972

3 SHOW WHERE DELIVERED *(Only if requested, and include ZIP Code)*

U.S. POSTAL SERVICE
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300

PS Form 3811 Nov. 1970 c55—16—81277-1

Postmark of Delivering Office

SENDER INSTRUCTIONS

Print in the space below your name, address, including ZIP Code.

- If special services are desired, check block(s) on other side.
- Moisten gummed ends and attach to back of article.

RETURN TO

U.S. Geological Survey
Dept. of Interior
Office of Mineral Exploration
Wash., D.C. 20240

Docket No. OME	6833 (Gold-Silver)
Contract	2295
Contract Amount	$40,000
Gov't Participation	% 75 $30,000

Operator's Name: BOBCAT PROPERTIES, INC.
Address: Suite 606
1730 M Street, N. W.
Washington, D. C. 20036

FINAL REPORT

January 5, 1972

Directed to: United States Department of the Interior
Geological Survey
Office of Minerals Exploration

SUMMARY AND CONCLUSIONS

Contract No. 2295 was executed between the Operator and OME on April 27, 1971 and terminated October 27, 1971. Pursuant thereto, the gold-silver exploration was carried out at the Atlanta Mine, Lincoln County, Nevada. The work consisted of preparing access roads and drill sites on mountaineous terrain at an elevation of approximately 6,800 to 7,200 feet. Geological and geophysical investigation had previously been undertaken during the months of January through March 1971, prior to the execution of the contract, in the immediate area north-northwest of the Atlanta Mine shaft, depicted on the map of the project area submitted with contract and forming a part (by attachment) of the said contract.

After the execution of the contract, in April 1971, review of the geology and petrology of the area convinced the Operator of a need to amend the original contract work description submitted at the time of the application for said contract, November 1970, to shift emphasis toward the north-northeast. The contract was duly amended to allow for the same. All drill site preparation, access roads, etc., covered under the contract budget were for the revised investigation area to the north-northeast of the Atlanta Mine shaft. During the privately funded program conducted by the Operator in January through March 1971, assays and geological determinations indicated a possible fault zone striking east-west approximately 350 to 400 feet north of the Atlanta No. 1 shaft, which was estimated to have probably dislocated the Atlanta ore zone.

OPERATOR'S FINAL REPORT

The dislocation was indicated by drill hole testing as possibly to the east and northeast (see report of Phil Hulse, Mining Engineer, April 20, 1971 attached as exhibit to request for amendment).

David B. Doan, Certified Professional Geologist, was in charge of evaluation and location of the drill sites. Mr. Doan reviewed the extensive material on the Atlanta Mine, ore body, and surrounding area, which included reports and studies by various mining engineers, metallurgists, and geologists of the area dating back to 1947. Mr. Doan personally consulted with Phil Hulse, Mining Engineer, the Engineer-Supervisor in charge of the program, and a life-long resident of the immediate area. Mr. Doan also was in consultation with Harry E. Nelson, Registered Geological Engineer, of Los Vegas, Nevada, who had undertaken and completed studies for previous owners of the property. Consultation, planning and assistance, was also given by Lawrence E. Smith, Registered Geologist, during the initial application stage and by way of review of prior drill results and for planning the north-northeast modification for the exploration program.

All professionals were on the site during the program with the exception of Mr. Nelson whose advice was given based upon his professional work product at his Los Vegas office. Costs under the OME program do not reflect all professional charges voluntarily incurred by the Operator, for which no claim is made. Such charges were prior to, or additional to, authorized costs under the program which received, however, the benefits therefrom.

During September and October 1971, a total of 1,680 feet were drilled in 4 holes. Copies of all drill logs, assays, maps, etc., were submitted with the monthly reports of the Operator for said months.

No significant mineralization was found. It had been the concurrence of all professionals, above mentioned, that based upon the region's geology and indications from previous studies and the previous 10 hole drill program, that if an extension was to be found of the Atlanta ore body that the most promising area for exploration would be to the north and east, the direction covered by the 4 hole OME program. The observations and geological conclusions were based upon field observations, air photo stereo-pair study, and geological mappings of prior studies of the immediate area in possession of the Operator. Based upon the east-west faulting present, all seemed to give valid indication of possible ore. However, the exclusion by this OME program of possibilities to the north and east of the ore body would delineate the same to the known ore body and indicate no further extensions in this direction.

Accordingly, the Operator is forced to the conclusion that having delineated the limits of the ore body at depths up to 465 feet, the next series of exploration targets for the area covered by said contract should be at much deeper limits, possibly to 5,500 feet. This conclusion is non-professional. It is based upon the "feel" of the Operator and is not based upon professional opinions by persons mentioned in this report, whose advice with respect to possibilities at depth has not been solicited.

SUMMARY

1. Geological and engineering evaluation of the results of the work performed was that no further exploration should be performed. After the initial 4 hole series, the contract determination of further location of holes based upon results of preceding holes, was that no significant results would be yielded by further continuation drilling the proposed full series. Since no significant mineralization was shown, an estimate of zero ore reserves resulted from the work performed.

2. The complete assay data yielded a high for gold of 0.03 ounces per ton on No. OME-1 (A-13) level: 0-10; 10-15; 25-30; 140-145, and silver No. OME-1 which yielded 1.3 ounce per ton at level 35-40. All other samples ran consistently lower than these to the point of trace or none through the 4 holes. (See attachments to Operator's monthly reports, September-October 1971).

3. Adequate geological and engineering maps and sketches were prepared for the project and have been submitted to OME as exhibits during the period, November 1970-October 1971. Reference is made to these and the conclusions based thereupon and the same are requested to be incorporated in this final report by such reference.

4. The work performed consisted of drill holes, sites and roads, together with the professional services performed and labor. These have been fully detailed in the monthly reports, and may be summarized as a professionally conducted exploration program in the estimated contract amount of $40,000. Said estimates were arrived at by virtue of negotiated and open-bid contract procedures, based upon said bids and earlier experience of the Operator in the same general region, and upon the advice of the professions in consultation with said Operator. The exploration was terminated during the original contract period, April 27, 1971-October 27, 1971. No extension period was requested by the Operator.

The full program costs total $17,786.20 of the authorized contract amount of $40,000. The government participation therein was for 75 percent of said amount. All costs were fully related to the work of the program.

Respectfully submitted,

BOBCAT PROPERTIES, INC.

Rutherford Day

Rutherford Day, President

LAW OFFICES
MATZKIN & DAY
1730 M STREET, N. W.
WASHINGTON, D.C. 20036

SHELDON I MATZKIN
RUTHERFORD DAY

(202) 293-3350
CABLE: SIMTEL

January 5, 1972

OFFICIAL COPY
O. M. E.
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JAN 6 1972
INITIALS | CODE
Cal | 120
gla ~~120~~
JAR ~~120~~

Mr. H. K. Stager, Field Officer
OME Region II
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

RE: OME-6833 (Gold-Silver) - Bobcat Properties, Inc.
Atlanta Mine - Lincoln County, Nevada
Contract 2295

Dear Mr. Stager:

Enclosed please find attached hereto three copies of the final report of the drill program at the Atlanta Mine.

My thanks to you and Mr. Roscoe Smith for your kindness and helpfulness during the course of this program, and my best wishes to you and the personnel of the OME for a happy and rewarding new year.

Sincerely yours,

Rutherford Day

Rutherford Day
For: BOBCAT PROPERTIES, INC.

CC: Harold Kirkemo

Docket No. OME	6833 (Gold-Silver)
Contract	2295
Contract Amount	$40,000
Gov't Participation	% 75 $30,000

Operator's Name: BOBCAT PROPERTIES, INC.
Address: Suite 606
1730 M Street, N. W.
Washington, D. C. 20036

FINAL REPORT

January 5, 1972

Directed to: United States Department of the Interior
Geological Survey
Office of Minerals Exploration

SUMMARY AND CONCLUSIONS

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SUMMARY

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2. The complete assay data yielded a high for gold of 0.03 ounces per ton on No. OME-1 (A-13) level: 0-10; 10-15; 25-30; 140-145, and silver No. OME-1 which yielded 1.3 ounce per ton at level 35-40. All other samples ran consistently lower than these to the point of trace or none through the 4 holes. (See attachments to Operator's monthly reports, September-October 1971).

3. Adequate geological and engineering maps and sketches were prepared for the project and have been submitted to OME as exhibits during the period, November 1970-October 1971. Reference is made to these and the conclusions based thereupon and the same are requested to be incorporated in this final report by such reference.

4. The work performed consisted of drill holes, sites and roads, together with the professional services performed and labor. These have been fully detailed in the monthly reports, and may be summarized as a professionally conducted exploration program in the estimated contract amount of $40,000. Said estimates were arrived at by virtue of negotiated and open-bid contract procedures, based upon said bids and earlier experience of the Operator in the same general region, and upon the advice of the professions in consultation with said Operator. The exploration was terminated during the original contract period, April 27, 1971-October 27, 1971. No extension period was requested by the Operator.

The full program costs total $17,790.20 of the authorized contract amount of $40,000. The government participation therein was for 75 percent of said amount. All costs were fully related to the work of the program.

Respectfully submitted,

BOBCAT PROPERTIES, INC.

Rutherford Day

Rutherford Day, President

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/22/71		120
		120M

December 22, 1971

Memorandum

To: Assistant Director, Audit Operations
Contract and Grant Audit
Office of Survey and Review, Rm. 5228

From: Chief, Office of Minerals Exploration

Subject: Report of Cost Review

Please prepare a Report of Review on the following OME contract:

Docket No.	Operator	Contract No.
OME-6833	Bobcat Properties, Inc.	2295

Harold Kirkemo

Harold Kirkemo

Copy to: C. D. Bare, Rm. 812 - 801 19th Street, N. W.

cc: Director's Reading File
Mineral Resources
OME File
OME Reading File
Mr. Kirkemo
130

GLAult/a 12-22-71

HIL 12/15/71

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER For Month of October 1971

Docket No. OME- ~~6833 (Gold-Silver)~~
Contract 14-08-0001 2295
Contract Amount $40,000
Gov't. Participation %75 $30,000

Operator's Name BOBCAT PROPERTIES, INC.
Address Suite 606 - 1730 M St., N. W.
Washington, D. C. 20036

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
Bulldozing access road & site prep.	45	$ 675.00	117	$ 1,755.00	45 HRS	$ 675.00	117 HRS	$ 1,755.00
Demobilization, drill rig	15	15	500	500.00	1	15.00	1	500.00
Rotary drilling	1,225	6,737.50	1,680	9,239.50	1,225'	6,737.50	1,680'	9,239.50
Supervisor-Engr.*	1.00	1,000.00	2.45	2,450.00	1	1,000.00	2.45	2,450.00
Geologic Consultant	1	125.00	7	875.00	1	125.00	7	875.00
Laborer	129	451.50	241	843.50	129 HRS	451.50	241 HRS	843.50
Transp. Supvisor	760	91.20	2,642	316.20	760	91.20	2,645	316.20
Payroll taxes, etc.	53	53.00	99	99.00	53	53.00	95	* 95.00
Assaying	138	483.00	138	483.00	138	483.00	138	483.00
Transp. Geologist	0		3,000	360.00	0	0	3,000	360.00
Per diem "	0		6	150.00	0	0	6	150.00
Freighting & handling samples	106	53.00	138	69.00	106	53.00	138	69.00
Sample containers	0		500	250.00	0	0	500	250.00
Office & Accounting	0		4	400.00	0	0	4 MOS.	400.00
* See remarks on reverse page								
TOTALS		$9,684.20		$ 17,790.20		$ 9,684.20		$ 17,786.20

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 12/10/71 *Payee Rutherford Days

Per _____ Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

Bobcat Properties, Inc.
By Rutherford Days, Pres

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer Date 12-13-71

7263.15 (63)14X0804
-200.00 14X6815(08)

Approved for: $7063.15
(SUBJECT TO AUDIT)

Signature [illegible]

Date DEC 20 1971 Vou. No. 22875

REMARKS

(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

Supervisor-Engineer worked 21 days, October 1-26, including Saturdays. Cutoff date was October 27. If figured at $50.00 daily rate his bill would be $1,050. Therefore, the monthly rate of $1,000 was used.

The Supervisor prepared a Summary and Conclusions, November 1, 1971. This will be supplemented by Operator's Final Report.

RECEIVED
U.S. GEOLOGICAL SURVEY
DEC 16 10 47 AM '71
BUDGET & FINANCE

FOR GOVERNMENT USE

REMARKS

* Operator did not correct for $4.00 disallowed on Sept. voucher for payroll taxes.

Withhold $200.00 pending receipt of Final Operator's Report.

H B Hagen

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Bobcat Properties, Inc.
Suite 606
1730 M St. N.W.
Washington, D. C. 20036

Amount Claimed:	Differences (Explained Below)	Amount Approved
9,684.20		9,684.20 7,263.15 Govt. Part less 200.00 * 7,063.15
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket #6833 Contract #2295	October 1971

EXPLANATION

*Withholding $200.00 pending receipt of final report.

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

Branch of Budget and Finance

LAVAR HOL LINGSHEAD

General Contractor

Panaca, Nevada 89042

==========

INVOICE

==========

Oct. 15, 1971

To: BOBCAT PROPERTIES, INC.
c/o Rutherford Day, Pres.
P.O. Box 175
Pioche, Nevada 89043

To bill your for labor and materials to build drill sites at the Atlanta Mine during the month of October 1971.

Cate time and road building - 45 hours @ $15.00/hour = $675.00

FINAL BILLING

Submitted by: LaVar Hollingshead

Telephone
754-6752

P. O. Box 796
CARLIN, NEVADA

AMBERSON CONSTRUCTION CO.

Open Pit Mining — Minerals Exploration Drilling

JOHNNY AMBERSON

October 12, 1971

Bobcat Properties
Box 175
Pioche, Nevada 89043

Drilling for October near Pioche

1225' at $5.50 per foot	$6,737.50
Mobilization	275.00
	$7,012.50

PHIL HULSE

MINING ENGINEER
Pioche, Nevada 89043

Nov. 1, 1971

INVOICE

To: Rutherford Day, President
BOBCAT PROPERTIES, INC.
Suite 606
1730 M Street N.W.
Washington, D.C. 20036

Re: October Billing
O.M.E. Project

To bill you for technical services and related expenses incurred during the month of October, 1971 at the Atlanta Mine:

Supervision and Engineering		$1000.00
Mileage:	Weekending 10/9 200 miles	
	Weekending 10/16 200 miles	
	Weekending 10/23 200 miles	
	Weekending 10/29 160 miles	
	760 Miles @ 12¢ per mile =	$91.20
Freighting and handling samples		
	106 samples @ 50¢ each	$53.00
Laborer:	129 hours @ $3.50	451.50
	Payroll taxes, F.I.C.A., insurance	53.00
	Phone bill (see attached invoice)	$23.95
	Reproduction & Prints	$25.00

Phil Hulse

Total Due: $1,697.65

Submitted by: P Hulse

DAVID B. DOAN
CERTIFIED PROFESSIONAL GEOLOGIST

EXPLORATION AND MAPPING
ENGINEERING GEOLOGY
WATER AND MINERALS
ANALYSIS AND EVALUATION

5635 BENT BRANCH ROAD
BETHESDA, MARYLAND 20016
301 - 229-3237

Mr. Rutherford Day
Bobcat Properties, Inc.
1730 M Street, N.W.
Washington, D.C. 20036

STATEMENT

For Services Rendered:

1 to 17 October, 1971, in conjunction with the Atlanta property exploratory drilling program, including various dates and hours.

1 day

$125.00

STATEMENT

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803

EAST ELY, NEVADA 89315

RUTHERFORD DAY
1730 M Street, N.W.
Washington, D.C. 20036

9-30-71 BALANCE $112.00

DATE	CERTIFICATE #	CHARGES	CREDITS	BALANCE
	BALANCE FORWARD			
9-28-71	Cert. #9-1	31.50		31.50
"	" #9-2	21.00		52.50
"	" #9-3	24.50		77.00
9-30-71	" #9-4	35.00		112.00

Pay Last Amount In This Column

TERMS: NET CASH MONTHLY ACCOUNTS PAYABLE ON OR BEFORE TENTH OF THE FOLLOWING MONTH
A 1% CHARGE WILL BE ADDED MONTHLY ON ALL OVERDUE ACCOUNTS

STATEMENT

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803

EAST ELY, NEVADA 89315

RUTHERFORD DAY
1730 M Street N.W.
Washington, D.C. 20036

12-1-71 ATLANTA MINE BOBCAT PROPERTY

PLEASE RETURN THIS STUB WITH YOUR CHECK BALANCE $371.00

DATE	CERTIFICATE #	CHARGES	CREDITS	BALANCE
	BALANCE FORWARD			
10-7-71	Cert. #10-1	35.00		35.00
"	" #10-2	35.00		70.00
10-11-71	" #10-3	35.00		105.00
"	" #10-4	28.00		133.00
"	" #10-5	31.50		164.50
10-19-71	" #10-6	35.00		199.50
"	" #10-7	35.00		234.50
"	" #10-8	35.00		269.50
"	" #10-9	35.00		304.50
"	" #10-10	35.00		339.50
"	" #10-11	31.50		371.00

Pay Last Amount In This Column

TERMS: NET CASH MONTHLY ACCOUNTS PAYABLE ON OR BEFORE TENTH OF THE FOLLOWING MONTH
A 1% CHARGE WILL BE ADDED MONTHLY ON ALL OVERDUE ACCOUNTS

OPERATOR'S MONTHLY REPORT
October 1971

OME 6833 (Gold-Silver)
Contract 2295
Atlanta Mine - Lincoln Cty., Nev.

Attached hereto find the Summary and Conclusions submitted by Phil Hulse, Mining Engineer, the Supervisor at the Atlanta Mine during the program. The statements therein are herewith adopted. The following is a list of enclosures submitted:

1. Statement - D. Doan
2. Statement - P. Hulse
3. Statement - L. Hollingshead
4. Statement - J. Amberson
5. Comments - P. Hulse
6. Drill Hole Log and Assays -(OME 1)
7. " " " " " -(OME 2)
8. " " " " " -(OME 3)
9. " " " " " -(OME 4)
10. Spectrographic Analysis (A13) Eisenhauer Labs -(OME 1)
11. Summary and Conclusions (Phil Hulse)
12. Section Map - 0+00
13. " " - 1+50N
14. " " - 5+00N
15. Base Line & Drill Hole Map, June 1971 (Revised October 1971)
16. Invoice.

Drilling and engineering studies were terminated by October 27, 1971. The results were not encouraging as no significant mineralizations were located, and geology determinations were unfavorable to any further explorations East of the shaft. Therefore, termination of the program was requested by BOBCAT PROPERTIES, INC. officials, and consented to by OME.

A final report will be submitted at a later date.

Respectfully submitted,

Rutherford Day

Rutherford Day,
President
BOBCAT PROPERTIES, INC.

Enclosures: 16
(As above listed - in triplicate).

RD/bgw

BOBCAT PROPERTIES, INC. ATLANTA DRILLING

O. M. E. Project 6833

HOLE NUMBER	COLLAR ELEVATION	LOCATION	TOTAL DEPTH	COMMENTS
OME-1 (A-13)	6879.4	0+55S, 2+35E	300'	Drilled in the footwall area of the Atlanta Pit.
OME-2 (A-15)	6965.6	1+75N, 4+85E	450'	No Significant Mineralization
OME-3 (A-14)	6897.1	1+80N, 2+70E	465'	No Significant Mineralization
OME-4 (A-16)	6876.5	4+70N, 2+65E	465'	Breccia and Limestone to 285' No Significant Mineralization Drilled on OME Line-1
		Total	1680'	

DRILL HOLE LOG

Hole No. OMB-1 (A-13)
Summary
Total Depth 300'
Collar Elevation 4899.4
Core Recovery

Drilled By AMBERSON CONST. CO.
Driller H. Robinson
Rig No. CP-650
Date Begun 9-21-71
Date Complete 9-24-71

Logged By Phil Hulse
Claim
Coordinates 0+55S 2+35W

DEPTH From	DEPTH To	Rock	Color	Texture	Remarks
0	65	Breccia	Red-Gr	Fine-Med	Drill in Foot wall of Atlanta pit. Contact of F.W Limestone @ 65' Some - Slight Ag Mineralization - see Assay Sheets
65	115	LS	Gry	Fine	Grey Limestone - Some Red-Brn Layers of Silicified Breccia & Limestone
115	150	LS	Red & Gy	Fine	Some Breccia -
150	300				Soft - Grey & Red Limestone No Change For 150 ft

SAMPLE From	SAMPLE To	ASSAY DATA		SAMPLE From	SAMPLE To	ASSAY DATA	
See Attached Certificates							

ABBREVIATIONS

Ryy — Rhyolite	Gn — Green
Opl — Oplite	Bl — Blue
Tf — Tuff	Pp — Purple
Sh — Shale	R — Red
Alt — Altered	Pk — Pink
Sil — Silicified	Or — Orange
Bre — Breccia	Yw — Yellow
Gu — Gouge	Bk — Black
Xtl — Crystal	Br — Brown
C — Carbon	Gy — Gray
F — Fine	Wh — White
M — Medium	L — Light
Cr — Coarse	M — Medium
Sp — Sparse	D — Dark
S — Some	Mot — Mottled
A — Abundant	V — Very

DRILL HOLE LOG

Hole No. CMT-2 (A-15)
Summary
Total Depth 450'
Collar Elevation 6066.8
Core Recovery

Drilled By ABBEPSON CONST. CO.
Driller T. Robinson
Rig No. CP 650
Date Begun 10-3-71
Date Complete 10-4-71

Logged By Phil Hul[illegible]
Claim
Coordinates 1+75N
4+85E

DEPTH From	DEPTH To	Rock	Color	Texture	Remarks
0	450	Gy-Rd Limestone		Fine	No Breccia encountered in This Hole all Soft Fine Grained Dolomite & Limestone

SAMPLE From	SAMPLE To	ASSAY DATA		SAMPLE From	SAMPLE To	ASSAY DATA	
See				AT	Tached		
Assay				Sheets			

ABBREVIATIONS

Ray — Rayolite	Gn — Green
Opl — Oplite	Bl — Blue
Tf — Tuff	Pp — Purple
Sh — Shale	R — Red
Alt — Altered	Pk — Pink
Sil — Silicified	Or — Orange
Bre — Breccia	Yw — Yellow
Gu — Gouge	Bk — Black
Xtl — Crystal	Br — Brown
C — Carbon	Gy — Gray
F — Fine	Wh — White
M — Medium	L — Light
Cr — Coarse	M — Medium
Sp — Sparse	D — Dark
S — Some	Mot — Mottled
A — Abundant	V — Very

DRILL HOLE LOG

Hole No. OME-3 (A-14)
Summary
Total Depth $65'
Collar Elevation 6897.1
Core Recovery

Drilled By AMBERSON CONST. CO.
Driller H. Robinson
Rig No. CP-650
Date Begun 10-5-71
Date Complete 10-7-71

Logged By Phil Hulse
Claim
Coordinates 1+80N, 2+70E

DEPTH From	DEPTH To	Rock	Color	Texture	Remarks
0	120	Breccia & LS	Grey-Rs	Fine-med	Interbedded Layers of Soft Limestone or Dolomite - Some Silicified Limestone & Breccia - No Significant Mineralization -
120	465	LS & Dolo-			Soft Grey & Reddish Brown Limestone

SAMPLE From	SAMPLE To	ASSAY DATA		SAMPLE From	SAMPLE To	ASSAY DATA	
		See		Att	ached		
		Assay		sheet			

ABBREVIATIONS

Ray — Rayolite	Gn — Green
Opl — Oplite	Bl — Blue
Tf — Tuff	Pp — Purple
Sh — Shale	R — Red
Alt — Altered	Pk — Pink
Sil — Silicified	Or — Orange
Bre — Breccia	Yw — Yellow
Gu — Gouge	Bk — Black
Xtl — Crystal	Br — Brown
C — Carbon	Gy — Gray
F — Fine	Wh — White
M — Medium	L — Light
Cr — Coarse	M — Medium
Sp — Sparse	D — Dark
S — Some	Mot — Mottled
A — Abundant	V — Very

DRILL HOLE LOG

Hole No. OME-4 (A-16)
Summary
Total Depth 465'
Collar Elevation 6876.5
Core Recovery

Drilled By AMBERSON CONST. CO.
Driller H. Robinson
Rig No. CP-650
Date Begun 10-8-71
Date Complete 10-10-71

Logged By Phil Hulse
Claim
Coordinates 4+70N 2+65E

DEPTH From	DEPTH To	DESCRIPTION Rock	Color	Texture	Remarks
0	285	Red-Gray Limestone & Breccia		Fine TO Med	Breccia & Limestone TO 285
					Soft Grey Limestone & Dolomite
285	465	LS			Soft Limestone - No Breccia

SAMPLE From	SAMPLE To	ASSAY DATA		SAMPLE From	SAMPLE To	ASSAY DATA	
See Attached Assay Sheet							

ABBREVIATIONS

Ray — Rayolite	Gn — Green
Opl — Oplite	Bl — Blue
Tf — Tuff	Pp — Purple
Sh — Shale	R — Red
Alt — Altered	Pk — Pink
Sil — Silicified	Or — Orange
Bre — Breccia	Yw — Yellow
Gu — Gouge	Bk — Black
Xtl — Crystal	Br — Brown
C — Carbon	Gy — Gray
F — Fine	Wh — White
M — Medium	L — Light
Cr — Coarse	M — Medium
Sp — Sparse	D — Dark
S — Some	Mot — Mottled
A — Abundant	V — Very

PHIL HULSE
MINING ENGINEER
Pioche, Nevada 89043

Nov. 1, 1971

To: Rutherford Day, Pres.
BOBCAT PROPERTIES, INC.

From: Phil Hulse

Subject: SUMMARY AND CONCLUSIONS - ATLANTA DRILLING PROJECT
O. M. E. No. 6833

LaVar Hollingshead begin cleaning access roads south and east of the Atlanta Pit September 15th. This work required more drilling and blasting than originally anticipated. A total of 72 hours was required during this period at a cost of $1080.00 Drill sites and access roads were completed October October 7th requiring an additional 45 hours or $675.00 Time indicated above also included assisting the drill in reaching the drill sites, and snow removal.

Total Cat time; = 117 hours @ $15.00/hr. Total = $1755.00

Amberson Construction begin drilling September 21, 1971 and completed four holes for a total depth of 1680 feet on October 10, 1971 . All drilling was done with a down-the-hole hammer at a rate of $5.50/ft.

Total Cost: 1680 ft. @ $5.50/ft. = $9,240.00 Plus:
Mobilization $485.00
De-mobilazition: $275.00

Total Drilling Cost: $10,000.00

Engineering and Geology was completed October 27, 1971. Three sections are included, and one revised plan Map showing the location and elevations of the four O.M.E. Drill holes. Drill hole logs and Assay Certificates from White Pine Assay Co. are also enclosed.

No significant mineralization or ore occurances were located during the above-mentioned drilling, and due to unfavorable results the program was supended.

Respectfully Submitted,

Phil Hulse

Phil Hulse

PH:cc David Doan
H.K. Stager
OME File

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803

EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD DAY Date Sept. 28, 1971

SAMPLE ATLANTA MINE	oz. per ton Au	oz. per ton Ag	% Cu	% Pb	% Zn					
Bobcat Property A-13 0-10	0.03	0.69								
" " " 10-15	0.03	1.14								
" " " 15-20	0.01	0.74								
" " " 20-25	0.01	0.81								
" " " 25-30	0.03	0.66								
" " " 30-35	0.01	0.88								
" " " 35-40	0.02	1.36								
" " " 40-45	0.01	0.91								
" " " 45-50	0.01	0.98								

CERT. # #9-1

CHARGES $31.50

Gary Stewart

CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803

EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD DAY Date Sept. 28, 1971

SAMPLE ATLANTA MINE	oz. per ton Au	oz. per ton Ag	% Cu	% Pb	% Zn					
Bobcat Property A-13 50-55	0.01	0.37								
" " " 55-60	0.01	0.42								
" " " 60-65	0.01	0.22								
" " " 65-70	0.005	0.17								
" " " 70-75	0.01	0.14								
" " " 75-80	0.01	0.14								

CERT. # #9-2

CHARGES $21.00

Gary Stewart

CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803
EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD DAY Date Sept. 28, 1971

SAMPLE	ATLANTA MINE	oz. per ton Au	oz. per ton Ag	% Cu	% Pb	% Zn					
Eobent Property A-13	115-120	0.005	0.22								
" " "	120-125	0.01	0.24								
" " "	125-130	0.01	0.53								
" " "	130-135	0.005	0.37								
" " "	135-140	0.01	0.14								
" " "	140-145	0.03	0.18								
" " "	145-150	0.015	0.31								

CERT. # #9-3

CHARGES $24.50

CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803
EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD DAY Date Sept. 30, 1971

SAMPLE	ATLANTA MINE		oz. per ton Au	oz. per ton Ag	% Cu	% Pb	% Zn					
Bobcat Property	A-15	0-5	0.01	0.20								
" "	"	5-10	trace	0.09								
" "	"	10-15	none	0.03								
" "	"	15-20	none	0.02								
" "	"	20-25	none	0.02								
" "	"	25-30	none	0.01								
" "	"	30-35	none	0.01								
" "	"	35-40	none	0.02								
" "	"	40-45	trace	0.04								
" "	"	45-50	trace	0.05								

CERT. # #9-4

CHARGES $35.00

CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803
EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD DAY Date Oct. 7, 1971

SAMPLE	ATLANTA MINE		oz. per ton Au	oz. per ton Ag	% Cu	% Pb	% Zn					
Bobcat Property	A-15	365-370	none	none								
" "	"	370-375	none	trace								
" "	"	375-380	none	none								
" "	"	380-385	none	trace								
" "	"	385-390	none	trace								
" "	"	425-430	none	trace								
" "	"	430-435	none	none								
" "	"	435-440	none	none								
" "	"	440-445	none	none								
" "	"	445-450	none	none								

CERT. # 10-1

CHARGES $35.00

CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803
EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD DAY Date Oct. 7, 1971

SAMPLE ATLANTA MINE	oz. per ton Au	oz. per ton Ag	% Cu	% Pb	% Zn					
Bobcat Property A-14 0-10	0.005	0.08								
" " " 10-15	trace	0.07								
" " " 15-20	trace	0.06								
" " " 20-25	trace	0.16								
" " " 25-30	trace	0.08								
" " " 30-35	trace	0.12								
" " " 35-40	trace	0.20								
" " " 40-45	trace	0.11								
" " " 45-50	0.01	0.14								
" " " 50-55	0.01	0.20								

CERT. # 10-2

CHARGES $35.00

CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803
EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD DAY Date Oct. 11, 1971

SAMPLE ATLANTA MINE	oz. per ton Au	oz. per ton Ag	% Cu	% Pb	% Zn					
Bobcat Property A-14 55-60	0.005	0.08								
" " " 60-65	trace	0.05								
" " " 65-70	trace	0.07								
" " " 70-75	trace	0.09								
" " " 75-80	trace	0.08								
" " " 80-85	trace	0.30								
" " " 85-90	trace	0.12								
" " " 90-95	trace	0.08								
" " " 95-100	trace	0.11								
" " " 100-105	0.005	0.12								

CERT. # 10-3

CHARGES $35.00

CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803
EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD DAY Date Oct. 11, 1971

SAMPLE ATLANTA MINE	oz. per ton Au	oz. per ton Ag	% Cu	% Pb	% Zn					
Bobcat Property A-14 105-110	0.005	0.24								
" " " 110-115	trace	0.14								
" " " 115-120	trace	0.14								
" " " 120-125	trace	0.06								
" " " 125-130	none	trace								
" " " 130-135	none	trace								
" " " 135-140	none	0.01								
" " " 140-145	none	0.02								

CERT. # 10-4

CHARGES $28.00

Gary L. Turnell CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803
EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD DAY Date Oct. 11, 1972

SAMPLE ATLANTA MINE	oz. per ton Au	oz. per ton Ag	% Cu	% Pb	% Zn					
Bobcat Property A-14 380-385	none	0.10								
" " " 385-390	none	trace								
" " " 390-395	none	none								
" " " 395-400	none	none								
" " " 400-405	none	none								
" " " 405-410	none	none								
" " " 410-415	none	none								
" " " 415-420	none	none								
" " " 420-425	none	none								

CERT. # 10-5

CHARGES $31.50

Gary L. Turnell CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803
EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Date Oct. 19, 1971

me RUTHERFORD DAY

SAMPLE ATLANTA MINES			oz. per ton Au	oz. per ton Ag	% Cu	% Pb	% Zn					
obcat Prop.	A - 16	0 - 10	None	Trace								
" "	A - 16	10 - 15	None	Trace								
" "	A - 16	15 - 20	None	Trace								
" "	A - 16	20 - 25	None	Trace								
" "	A - 16	25 - 30	None	0.02								
" "	A - 16	30 - 35	None	0.03								
" "	A - 16	35 - 40	None	0.02								
" "	A - 16	40 - 45	None	0.02								
" "	A - 16	45 - 50	Trace	0.09								
" "	A - 16	50 - 55	Trace	0.06								

CERT. # 10 - 6

CHARGES $35.00

CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803
EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD DAY Date

SAMPLE ATLANTA MINES	oz. per ton Au	Ag	% Cu	% Pb	% Zn
Bobcat Prop. A - 16 55 - 60	Trace	0.05			
" " A - 16 60 - 65	Trace	0.05			
" " A - 16 65 - 70	Trace	0.06			
" " A - 16 70 - 75	Trace	0.07			
" " A - 16 75 - 80	Trace	0.07			
" " A - 16 80 - 85	Trace	0.08			
" " A - 16 85 - 90	Trace	0.03			
" " A - 16 90 - 95	Trace	0.06			
" " A - 16 95 - 100	Trace	0.05			
" " A - 16 100 - 105	0.005	0.27			

CERT. # 10 - 7

CHARGES $35.00

Gary Stewart
CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803
EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD DAY Date Oct. 19, 1971

SAMPLE ATLANTA MINES	oz. per ton Au	Ag	% Cu	% Pb	% Zn
Bobcat Prop. A - 16 105 - 110	Trace	0.18			
" " A - 16 110 - 115	Trace	0.12			
" " A - 16 115 - 120	Trace	0.08			
" " A - 16 120 - 125	Trace	0.08			
" " A - 16 125 - 130	Trace	0.06			
" " A - 16 130 - 135	Trace	0.11			
" " A - 16 135 - 140	0.005 ~~Trace~~	0.12			
" " A - 16 140 - 145	0.005	0.11			
" " A - 16 145 - 150	0.005	0.09			
" " A - 16 150 - 155	0.005	0.12			

CERT. # 10 - 8

CHARGES $35.00

Gary Stewart
CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803
EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD DAY Date Oct. 19, 1971

SAMPLE ATLANTA MINES		oz. per ton Au	Ag	% Cu	% Pb	% Zn					
Bobcat Prop.	A - 16 155 - 160	0.005	0.11								
" "	A - 16 160 - 165	0.005	0.12								
" "	A - 16 165 - 170	Trace	0.06								
" "	A - 16 170 - 175	Trace	0.06								
" "	A - 16 175 - 180	None	0.02								
" "	A - 16 180 - 185	None	0.01								
" "	A - 16 185 - 190	None	0.01								
" "	A - 16 190 - 195	None	Trace								
" "	A - 16 195 - 200	None	Trace								
" "	A - 16 200 - 205	None	Trace								

CERT. # 10 - 9

CHARGES $35.00

Gary Stewart
CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803
EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD DAY Date Oct. 19, 1971

SAMPLE ATLANTA MINES		oz. per ton Au	Ag	% Cu	% Pb	% Zn					
Bobcat Prop.	A - 16 205 - 210	None	Trace								
" "	A - 16 210 - 215	None	Trace								
" "	A - 16 215 - 220	None	Trace								
" "	A - 16 220 - 225	None	0.01								
" "	A - 16 225 - 230	None	0.01								
" "	A - 16 230 - 235	Trace	0.15								
" "	A - 16 235 - 240	Trace	0.08								
" "	A - 16 240 - 245	Trace	0.08								
" "	A - 16 245 - 250	0.01	0.56								
" "	A - 16 250 - 255	0.005	0.16								

CERT. # 10 - 10

CHARGES $35.00

Gary Stewart
CHEMIST

WHITE PINE ASSAY CO.

P. O. BOX 286 PHONE 289-2803
EAST ELY, NEVADA 89315

CERTIFICATE OF ASSAY

Name RUTHERFORD RAY Date Oct. 19, 1971

SAMPLE		oz. per ton Au	oz. per ton Ag	% Cu	% Pb	% Zn					
ATLANTA MINES											
Bobcat Prop.	A - 16 255 - 260	Trace	0.05								
" "	A - 16 260 - 265	Trace	0.12								
" "	A - 16 265 - 270	Trace	0.06								
" "	A - 16 270 - 275	None	0.01								
" "	A - 16 275 - 280	None	0.01								
" "	A - 16 280 - 285	None	Trace								
" "	A - 16 285 - 290	None	Trace								
" "	A - 16 290 - 295	None	Trace								
" "	A - 16 295 - 300	None	Trace								

CERT. # 10 - 11

CHARGES $31.50

CHEMIST

The EISENHAUER LABORATORIES
316-322 South San Pedro Street
Phone 622-9328 (Code 213) · LOS ANGELES, CALIF. 90013

C. EISENHAUER, JR.
C. EISENHAUER RAYMOND
LAWRENCE CARL RAYMOND
All members of American Institute of Mining, Metallurgical, and Petroleum Engineers

Established 1916
ASSAYERS
METALLURGISTS
CHEMISTS
SPECTROGRAPHERS
ATOMIC ABSORPTI

Oct. 21/71

Bobcat Properties
Fiochе, Nevada

Subject: Semi-quantitative Spectrographic
Analysis of Ore

Marked: OME-13-Atlanta Mine

Silicon-	major constituent
Aluminum-	10.0 %
Magnesium-	3.0
Iron-	18.7
Calcium-	10.0
Sodium-	2.0
Potassium-	1.0
Antimony-	0.01
Lead-	0.034
Chromium-	0.19
Manganese-	0.11
Gallium-	0.003
Nickel-	0.20
Molybdenum-	0.03
Vanadium-	0.05
Yttrium-	0.10
Copper-	0.05
Silver-	0.003
Zinc-	0.05
Titanium-	2.0
Zirconium-	0.20
Cobalt-	0.03
Strontium-	0.05
Barium-	2.0

Respectfully submitted,

The Eisenhauer Laboratories

C. Eisenhauer Raymond

EXPLORATION CONTRACT
BOBCAT PROPERTIES, INC.
OME-6833

Termination Agreement

It is agreed this_____day of_____, 1971, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, Office of Minerals Exploration, hereinafter called the "Government," and Bobcat Properties, Inc., hereinafter called the "Operator," parties to that certain Exploration Contract No. 2295 (OME-6833), dated April 27, 1971, hereafter called the "Contract" that:

1. Effective October 27, 1971, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs incurred prior to October 27, 1971.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report) of the work performed under the Contract, which shall include a geological and engineering evaluation of the results of the work performed under the Contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs thereof.

4. All rights of the Government provided for in the Contract with respect to a certification of possible production, royalty on production,

Executed 12/2/71 to
executed T. H.
P-II

and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any over-payments are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

_____
Bobcat Properties, Inc.

By_____

Title_____

LAW OFFICES
MATZKIN & DAY
1730 M STREET, N.W.
WASHINGTON, D.C. 20036

SHELDON I. MATZKIN
RUTHERFORD DAY
ROBERT C. KELLY

(202) 293-3350
CABLE: SIMTEC

November 24, 1971

Harold Kirkemo, Chief,
Office of Minerals Exploration, U.S.G.S.
Room 4460 Department of Interior Bldg.,
Washington, D.C. 20242

Docket # OME 6833
(gold-silver)

Dear Mr. Kirkemo:

Please take this letter as my request to terminate the above-numbered contract as of the termination date of October 27, 1971, the closing date thereof.

Very truly yours,

Rutherford Day

Rutherford Day

RD:rd

26

Cee 120 ~~JU~~
Jla 120
JHK ~~120~~

FORM-9-1648
MARCH 1968

HK 10/8/71

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

ORIGINAL COPY
O. M. E.
RECEIVED
OCT 19 1971
INITIALS CODE

OPERATOR'S MONTHLY VOUCHER

For Month of July/August/Sept.1971

Docket No. OME- 6833(gold-silver
Contract 14-08-0001 2295
Contract Amount $40,000
Gov't. Participation % 75 $ 30,000

Operator's Name Bobcat Properties,Inc.
Address c/o Jon Collins,Esq,Suite 800
302 East Carson St.,Las Vegas,Nevada 89101

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
Bulldozing access roads & site prep.	72	$1, 080	72	$1, 080	72	$ 1080.00	72	$ 1080.00
Mobilization,drill rig	485	485	485	485	1	485.00	1	485.00
Rotary drilling	455	2, 502	455	2, 502	455	2502.	455	2502.
Supervisor-Engr. July	0.05	50	0.45	450.	Paid			
Sept.	1.00	1, 000	1.45	1, 450	1	1000.00	1.45	1450.00
Laborer Sept.	80	280	112	392	80	280.00	112	392.00
Transportn,Supervsr July	100	12	642	77.	Paid			
Sept.	1,240	148	1,882	225.	1240	148.00	1885	225.00
Office & Acctg: July	1	100	3	300.	Paid			
Sept.	1	100	4	400.	1	100.00	4	400.00
Assaying (at 3.50 per sample)	32	112	32	112.	*			
Freighting,Handling samples, 50 cents	32	16	32	16.	32	16.00	32	16.00
Sample containers at 50 cents	500	250	500	250.	500	250.00	500	250.00
Payroll taxes,F.I.C.A., Insurance	46.	46.	46.	46.		42.00		42.00
Geologist Services	0)		6	750.			6	750.00
" Mileage	0		3,000	360.			3000	360.00
" Per Diem	0		6	150.			6	150.00
TOTALS		$ 6, 181.		$ 8, 218.		$5903.00		$8,102.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Oct.1,1971 *Payee Bobcat Properties,Inc.

Per Rutherford Day Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature R. M. Smith for OME Field Officer 10/6/71 Date

(63) 14X0804

Approved for: $ 4427.25 (SUBJECT TO AUDIT)

Signature MD

Date 10-18-71 Vou. No. 21005

* (SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

Supervisor commenced Sept. 1, laying out drill sites & access roads.
Independent contractor began working on same Sept. 6th.(Lavare Hollingshead)
Independent contractor (Amberson Drilling & Construction Co.) completed mobilization of drill rig at first location Sept. 20, commencing drilling Sept. 21.

42439
RECEIVED
U.S. GEOLOGICAL SURVEY
OCT 12 1 49 PM '71
BUDGET & FINANCE

FOR GOVERNMENT USE

REMARKS

* Disallow:

Assaying (No supporting invoice)	$ 112.00
Supervision	50.00
Travel	12.00
Office expense	100.00
July voucher paid 8/19/71	162.00
Payroll taxes see invoice	4.00
Total disallowance	$ 278.00

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Bobcat Properties, Inc.
c/o Jan Collins, Esq.
Suite 800
302 East Carson St.
Las Vegas, Nevada 89101

Amount Claimed:	Differences (Explained Below)	Amount Approved
6,181.00	278.00	5,903.00 4,427.25 Gov. Part.
Bu. Voucher No.	**Payee's Invoice No.**	**Period**
	Docket #6833 Contract #2295	July, Aug, Sept. 1971

EXPLANATION

Claimed		Allowed	Disallowed
July - Supervisor	50.00	None	50.00
Travel	12.00	"	12.00
Office Exp.	100100	"	100.00
		Above Paid on July Voucher 8/19/71	
32 Assays	112.00	None - No supporting invoice	112.00
FICA	46.00	42.00 - per invoice	4.00
			278.00

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original of this statement.

mb
Branch of Budget and Finance

Bobcat Properties,Inc.
Suite 606, 1730 M St NW
Washington, D.C. 20036
October 1, 1971

Operator's Monthly Report
July/August/Sept. 1971

Docket No. OME 6833(gold-silver)
Contract No. 2295

(1) Operator's monthly voucher, form 9-1648 is attached hereto.

(2) Operator's narrative report:

REMARKS:

During the month of July, 1971, the Supervisor made an inspection of the program location accompanied by the Regional Field Officer. On site preparations and program planning were carried out. In addition, review of all proposed locations, in accordance with directions of geological consultants were accomplished. Determination of a commencement date for the rotary drilling was set up within a sixty day period, subsequent to the calendar month of August.

September 1 saw further preparatory work by the Supervisor-Engineer, including layout of acess roads and drill sites, surveying, etc. On approximately September 6, the independent contractor commenced road and drill site preparation work, which continued throughout the entire month of September, during which the majority of this work was accomplished without incident until snow accumulation stopped work temporarily September 30.

The drill rig mobilization was completed September 20 and rotary drilling commenced September 21 on OME No. 13 to a depth of 300 feet. OME No. 15 was started September 28 and completed to a depth of 165 feet of a planned 450 feet by the end of the month.

Respectfully Submitted,
Bobcat Properties, Inc.
By: Rutherford Day, President

Telephone
754-6752

P. O. Box 796
CARLIN, NEVADA

AMBERSON CONSTRUCTION CO.

Open Pit Mining — Minerals Exploration Drilling

JOHNNY AMBERSON

October 1, 1971

Bobcat Properties
Box 175
Pioche, Nevada 89043

Drilling for September near Pioche

455' at $5.50 per foot (Hammer)	$2,502.50
Mobilization	485.00
	$2,987.50

LAVAR HOLLINGSHEAD

General Contractor

Panaca, Nevada 89042

Oct.

~~Sept.~~ 1, 1971

INVOICE

+++++++

To:

BOBCAT PROPERTIES, INC.
c/o Rutherford Day, Pres.
P.O. Box 175
Pioche, Nevada 89043

To bill you for labor and materials to build drill sites at the Atlanta Mine during the month of September 1971.

Cat time and road building - 72 hours @ $15.00/hour = $1080.00

Submitted by: LaVar Hollingshead

PHIL HULSE

MINING ENGINEER
Pioche, Nevada 89043

Oct. [redacted]. 1, 1971

INVOICE
+++++++

To: Bobcat Properties, Inc.
c/o Rutherford Day, Pres.
P.O. Box 175
Pioche, Nevada 89043

To bill your for technical services, and related expenses incurred during the month of September at the ATLANTA MINE:

Supervision and Engineering O.M.E. Project OME6833 - - - - - - - - $1000.00

One Laborer: Engineering Aide and sample handling
80 hours @ $3.50/hour - - - - - - - - - - - - - $280.00
Payroll Taxes - - - - - - - - - - - - - - $42.00

Mileage:

Weekending 9/4	200 Miles	
Weekending 9/11	300 Miles	
Weekending 9/18	None	
Weekending 9/25	440 Miles	
to 9/30/71	300 Miles	
	1240 Miles @ 12¢/mile = - - - - - - -	$148.80

Samples and supplies:
500 sample bags @ 50¢ each - - - - - - - - - - - - - - - $250.00
Freighting and handling 32 samples @ 50¢ each $16.00

Total Due:

$1736.80

Submitted by: Phil Hulse

9-16-3
C. 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OK-WTE
8/19/71

OPERATOR'S MONTHLY VOUCHER

For Month of July 1971

Docket No. OME- 6833 (gold-silver
Contract 14-08-0001 2295
Contract Amount $ 40,000
Gov't. Participation % 75 $ 30,000

Operator's Name BOBCAT PROPERTIES, INC.
Address Suite 606 - 1730 M. Street, N. W.
Washington, D. C. 20036

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
		$		$		$		$
Supervisor-Engr. Services July	0.05	50.00	.450	450.00	0.05	50.00	0.450	450.00
Mileage	100	12.00	642	77.00	100	12.00	642	77.00
Office & Accounting	1	100.00	3	300.00	1	100.00	3	300.00
Geologic Consultant Services					0	0	6	750.00
Mileage					0	0	3,000	360.00
Per Diem					0	0	6	150.00
Laborer					0	0	32	112.00
TOTALS		$ 162.00		$ 2,199.00		$ 162.00		$ 2,199.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date _____ *Payee Bobcat Properties, Inc.

Per Rutherford Dow Title Pres.

*When a voucher is signed or receipted in the name of a company or corporation, the same of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willful false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature H B Hagen OME Field Officer Date 8-13-71

(63) 14X0804

Approved for: $ 121.50
(SUBJECT TO AUDIT)

Signature Sg

Date DEC 13 1971 Vou. No. 20820

(SEE OTHER SIDE)

LAW OFFICES
MATZKIN & DAY
1730 M STREET, N.W.
WASHINGTON, D.C. 20036

SHELDON I. MATZKIN
RUTHERFORD DAY
ROBERT C. KELLY

(202) 293-3350
CABLE: SIMTEC

August 10, 1971

Mr. H. K. Stager, Field Officer
OME Region II
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

RE: OME-6833 (Gold-Silver) - Bobcat Properties, Inc.
Atlanta Mine - Lincoln County, Nevada
Contract 2295

Dear Mr. Stager:

The only charges we have for July are for Philip Hulse for 1 day. * Enclosed is the invoice, and an original and three copies of the voucher for the month of July.

The $33.00 for May telephone calls is an accummulated item against the May office and accounting expense.

Sincerely yours,

Rutherford Day

Encls.

* plus mileage and office/accounting.
RD

RECEIVED
AUG 13 1971
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

PHIL HULSE
MINING ENGINEER
Pioche, Nevada 89043

July 29, 1971

BOBCAT PROPERTIES, INC.
Suite 606
1730 M. Street N.W.
Washington, D.C. 20036

INVOICE

To bill you for engineering services and related expenses incurred during the months of May, June, and July 1971.

May Phone calls and reproduction (2nd notice) - - - $33.00

July 26, 1971 Field trip to Atlanta With Mr. H.K. Stager
Field Officer for O.M.E. Program - - -$50.00

Mileage: Atlanta & Return
100 Miles @ 12¢/mile - - - $12.00

Total Due: - - - - $95.00

Submitted by: Phil Hulse
Phil Hulse

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OK-10-E
8/17/71

OPERATOR'S MONTHLY VOUCHER

For Month of April/May/June 1971

Docket No. OME- 6833[gold-silver]
Contract 14-08-0001-2295
Contract Amount $ 40,000
Gov't. Participation %75 $ 30,000

Operator's Name BOBCAT PROPERTIES, INC.
Address Suite 606 - 1730 M. Street, N. W.
Washington, D. C. 20036

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
		$		$		$		$
Supervisor-Engineer,								
services, May	0.175	175.00	0.175	175.00	0.175	175.00	0.175	175.00
@$1,000/mo., June	0.225	225.00	0.224	225.00	0.225	225.00	0.225	225.00
Mileage: May	342	41.00	342	41.00	342	41.00	342	41.00
June	200	24.00	200	24.00	200	24.00	200	24.00
Geologic Consultant,								
services: May	5	625.00	5	625.00	5	625.00	5	625.00
June	1	125.00	1	125.00	1	125.00	1	125.00
Mileage: May	3,000	360.00	3,000	360.00	3,000	360.00	3,000	360.00
Per Diem: May	6	150.00	6	150.00	6	150.00	6	150.00
Laborer:								
= @ $3.50/hr May	16	56.00	16	56.00	16	56.00	16	56.00
June	16	56.00	16	56.00	16	56.00	16	56.00
Office & Accounting:								
May	1	100.00	1	100.00	1	100.00	1	100.00
June	1	100.00		100.00	1	100.00	1	100.00
TOTALS		$ 2,037		$ 2,037		$ 2,037.00		$ 2,037.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 1 July 1971 *Payee Bobcat Properties, Inc.

Per Rutledge Day Title Pres.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer Date 8-13-71

(63)14X0804

Approved for: $ 1,527.75
(SUBJECT TO AUDIT)

Signature [illegible]

Date AUG 10 1971 Vou. No. 20820
(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

BOBCAT PROPERTIES, INC.
Suite 606
1730 M Street, N. W.
Washington, D. C. 20036

OPERATOR'S MONTHLY REPORT
April/May/June 1971

Docket No. OME 6833 [gold-silver]
Contract No. 2295

1] Operator's monthly voucher [form 9-1648] is attached hereto.

2] Operator's narrative report:

REMARKS: After execution of OME contract 4/28/71, operator proceeded to evaluate OME program based upon preliminary work to extend or close the Atlanta ore body to the North which had been accomplished February/March 1971 by drill hole testing of a number of holes near to, but not within, the OME program then proposed. Ten holes were drilled prior to contract execution, during the period subsequent to application for this contract November 1970. During the course of the drill test program, in March, two holes near the proposed OME holes 1 & 2 were drilled and assayed for advance investigation. Results of these were available during May. Evaluation was conducted on the site by the company's President, Consulting Geologist, and Supervisor-Engineer. This resulted in detailed geological study of the faults and other features of the immediate area, conducted during May and June, from on-site inspection by the Geologist and Engineer, study and mapping of former drill hole results and aerial photographic interpretation during the same period.

It was determined the lowest probability for ore discovery is along the N.N.W. direction from the existing ore body and the highest probability is to the East of OME lines 1, 2, 3, and 4, and N.E. of the shaft on the Atlanta grid. Relocation of drill site holes was made in a new pattern proposed to OME and accepted subject to the results of drilling the first holes in the new pattern. Copies of all drill logs, assays, maps, and sections of the previous results and new locations have been furnished, together with interpretations thereof, to the Washington and Menlo Park offices, OME.

LAW OFFICES
MATZKIN & DAY
1730 M STREET, N.W.
WASHINGTON, D.C. 20036

SHELDON I. MATZKIN
RUTHERFORD DAY
ROBERT C. KELLY

(202) 293-3350
CABLE: SIMTEC

August 10, 1971

Mr. H. K. Stager, Field Officer
OME Region II
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

RE: OME-6833 (Gold-Silver) - Bobcat Properties, Inc.
Atlanta Mine - Lincoln County, Nevada
Contract 2295

Dear Mr. Stager:

In accordance with your letter of July 19, 1971, I enclose herewith copies of invoices of David Doan, Geologist, covering May and June 1971, for the Atlanta exploration project.

I also enclose the May invoice of Philip Hulse, Engineer-Supervisor. This invoice shows the charges for him, and also for Albert Cottino, laborer. You will note that the laborer was paid in excess of the $3.50 hourly rate allowable, so this was reduced to the allowable rate claimed in the monthly voucher. Mileage was also claimed at 15 cents a mile for the Engineer-Supervisor, which was likewise reduced to 12 cents per mile, being the allowable cost.

On August 9, I had a telephone discussion with Phil Hulse, who told me you were in Pioche and he would give you two copies of the June 1971 invoice. I have, therefore, sent only his May invoice. You will notice that the same reduction in costs apply in June, as in May, for Phil, Albert, and mileage. The other enclosures represent one of the offices, and overhead expenses amounting to $45.97 for duplicating expense for some of the material requested to be furnished.

I believe this will document the voucher adequately.

Sincerely yours,

Rutherford Day

Rutherford Day

Encls.

RECEIVED
AUG 12 1971
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

PHIL HULSE
MINING ENGINEER
Pioche, Nevada 89043

May 28, 1971

INVOICE

To;
BOBCAT PROPERTIES, INC.
c/o Rutherford Day, Pres.
1730 M Street N.W. Suite 606
Washington D.C. 20036

BALANCE: Bobcat Properties in HULSE ENGINEERING ACCT. May 16, 1971 = $167.81

To bill you for engineering services and expenses incurred during the second half of May 19, 1971. Includes from May 16th through May 27th.

May 19, 1971	Albert Cottino -8 hours -driving to Las Vegas and 2 hrs. on return - pick up Mr. Day- Mrs. Doan	$35.00
May 20th	Phil Hulse- Technical Services- Atlanta Project - - -	$50.00
May 21th	Phil Hulse- Technical Services- Atlanta Project - - -	$50.00
May 25th	Phil Hulse- Technical Services - Atlanta Project& Phelps-Nicoll (Otto Best) includes Sat. and Sunday assisting Mr. Doan Sat. and Loading out explosives and supplies Sunday.-	$50.00
May 26th	Phil Hulse - Surveying- laying out O.M.E. Drill holes -	-$50.00
	Albert Cottino- Surveying Aide - - - - - - - - - - - - -	$35.00
	Sub-total	$270.00

Mileage:

Chev Pickup (@15¢ per mile)

Two trips to Atlanta @ 100 miles per trip - - - -	$30.00
One trip to Williams Guest Ranch @ 64 miles/trip- -	$9.60
One trip to Pioche Air Field @ 7miles one way -	$2.10

Chev Impala Sedan

Trip to Las Vegas and Return (350 miles round trip) @ 15¢/mile - - - - - - - - - - - - -	$52.50
One trip to Williams Ranch (64 miles round trip) -	$9.60
Sub-total	$103.80

Misc. expenses:

Film -	$5.66
Postage Eisenhauer Samples - - - - - -	$2.06
Sub Total	$7.72

TOTAL DUE:	$381.52
Less Balance (see Above)	$167.81
	$213.71 = Net Bal. Due.

Submitted by: Phil Hulse
Phil Hulse

Reveiwed and Approved by:
Date _____ BOBCAT PROPERTIES, INC

H K Stoesser

PHIL HULSE

MINING ENGINEER
Pioche, Nevada 89043

June 15, 1971

INVOICE

To: Rutherford Day, Pres.
BOBCAT PROPERTIES, INC
Suite 606
1730 M Street N. W.
Washington, D. C. 20036

June 7, 1971 Preparing and tracing (1" = 50ft.) and preparing sections ONE - - - - - - - - - - - - - - - - - - $50.00

June 12-15, 1971 Prepare Claim Maps (1" = 100ft.) Northern Section, Central Section, and Southern Section - - - - $220.00* (INCLUDES 2 DAYS OF LABORERS PAY $20.00) HKL
*(as estimated)
Preparing Jean Lee Claim Map - - - - - - - - $25.00

Mileage: One trip to Atlanta Mine:
100 miles @ 15¢/mile - - - - - - - - - $ 15.00

Materials and Postage: - - - - - - - - - - - $5.00

Phone bill (attached) Bobcat assessed 70% of Total- $55.21

To June 15, 1971- Total Due $370.21

Balance Due May 28, 1971 Invoice - $213.71

Please Remit - - - - - - - - $583.92

Submitted By Phil Hulse

Rec CK for $585.00

PH

DAVID B. DOAN
CERTIFIED PROFESSIONAL GEOLOGIST

EXPLORATION AND MAPPING
ENGINEERING GEOLOGY
WATER AND MINERALS
ANALYSIS AND EVALUATION

5635 BENT BRANCH ROAD
BETHESDA, MARYLAND 20016
301 - 229-3237

5 May 1971

STATEMENT

To: Mr. Rutherford Day
Bobcat Properties
Suite 606
1730 M Street N.W.
Washington, D.C.

For Services Rendered:

Analysis of reports , discussion of drilling results and planning of further exploration at the Atlanta Mine	$ 125.00
Per Diem	25.00
	$ 150.00

Paid

DAVID B. DOAN
CERTIFIED PROFESSIONAL GEOLOGIST

EXPLORATION AND MAPPING
ENGINEERING GEOLOGY
WATER AND MINERALS
ANALYSIS AND EVALUATION

5635 BENT BRANCH ROAD
BETHESDA, MARYLAND 20016
301 - 229-3237

25 June 1971

Mr. Rutherford Day
Bobcat Properties, Inc.
1730 M Street N.W. Suite 606
Washington, D.C.,

STATEMENT

For Services Rendered:

19, 20, 21, 22 May 1971- Reconnaissance geology including stratigraphy and structure, photogeologic analysis, evaluation of previous subsurface drilling results, field conferences with resident geologic (mining) engineer, and preliminary recommendations for further drilling at and beyond the north end of the Atlanta Mine. Four (4) days fee at $ 125.00/day plus per diem at $ 25.00/day:	$ 600.00
23 May 1971- Travel to Los Angeles to confer with Assayer and visit U. S. Geological Survey Public Information Office. One (1) day, per diem only	25.00
20 June 1971- Study and preparation of letter advising on final recommendations as to further drilling at the Atlanta Mine. One (1) day fee:	125.00
	$ 750.00
Las Vegas Air Fare, 1 round trip economy	280.00
TOTAL	$ 1030.00

TRUE AND CORRECT: David B. Doan

DAVID B. DOAN
CERTIFIED PROFESSIONAL GEOLOGIST

EXPLORATION AND MAPPING
ENGINEERING GEOLOGY
WATER AND MINERALS
ANALYSIS AND EVALUATION

5635 BENT BRANCH ROAD
BETHESDA, MARYLAND 20016
301 - 229-3237

26 June 1971

Mr. Rutherford Day
Bobcat Properties, Incorporated
1730 M Street, N. W. Suite 606
Washington, D. C.

Dear Mr. Day:

Further to my statement of yesterday, 25 June, and after confirmation from my activities log, I am submitting this invoice for per diem charges only in connection with the Los Angeles trip for purposes of conference with the assay company and the visit to the USGS Public Information Office. I hope you will agree that, in lieu of charging regular fee for my work on your behalf, this request for per diem reimbursement is n ot misplaced.

STATEMENT

For Services Rendered:

24 May 1971-Travel to Los Angeles to confer with assay company officials regarding both fire assay and spectrographic analyses of Atlanta drilling samples; also to visit U.S. Geological Survey Public Information Office for purposes of examining or purchasing any information relating to the Atlanta District.

One day- Per Diem:	$ 25.00
From previous statement:	1030.00
TOTAL TO DATE	$1055.00

TRUE AND CORRECT: David B. Doan

PREFIX 4H-1

COOPER-TRENT DIVISION / KEUFFEL & ESSER CO.

1521 N. DANVILLE ST., ARLINGTON, VA. 22201
TELEPHONE 524-9000

INVOICE NO. 8434034
INVOICE DATE 6/11/71

CUSTOMER'S ORDER NO. DATE 6/10/71

CUSTOMER'S ORDER NO.

SOLD TO
Rutherford Day
1730 M Street, N. W.
Washington, D. C. 20036

SHIP TO
Drill Hole Logs, Atlanta
Mon/71

C.O.T.	CUSTOMER ACC'T. NO.	SAL'SMAN	FURN'ING LOC.	T.C.	OTHER	K & E JOB #	TERMS	WRITTEN BY	DELIVERY REQ'D.
A	612629	01				S 3216	NET 30 DAYS	Taylor	

CUSTOMER JOB NAME OR NUMBER	F.O.B.	CLASS OF GOODS	NO. OF ORIG.	NO. OF EACH	TOTAL COPIES	SQ. FT. OF ORIG	TOTAL SQ. FT.	UNIT PRICE	TOTAL
DIAZO PRINTS BLUE ☐ BLACK ☐ BLUE PRINT ☐ VAN DYKE ☐		96							
INTERMEDIATE 212145 213105 213145 SEPIA ☐ ☐ ☐		96							
PHOTOSTAT NEG. POS.		96							
ELECTROSTATIC ☐ 914 ☐ 2400 ☐ 1824 ☐ 1860 Bond		96	18 1	4 10	82	32-18x24 16- 12x18 16- 11x17		.68 .40	44 20
CAMERA PHOTACT NEG. POS.		88							

SHIPPED VIA	RECEIVED BY	LAID OUT	SHIPPED BY	PPD.	COLL.	CHARGES	TAX EX.		
								SUB TOTAL	44 20
								SALES TAX	1 77
								FRT., P.P. & INS., OR U.P.	
							By	TOTAL	45 97

PAGE OF PAGES

CLAIMS CLAUSE Claims must be made within TEN DAYS after receipt of the goods and be accompanied by our PACKING TICKET. No goods may be returned for credit without first securing permission. Goods so returned will be subject to a charge of 10% for rehandling. Transportation to be paid by shipper.

FORM #1226

FAIR LABOR ACT
We hereby certify that these goods were produced in compliance with all applicable requirements of sections 6, 7, and 12 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the Administrator of the Wage and Hour Division under Section 14 thereof.

PLEASE REFER TO YOUR CUSTOMER ACCT. NO. & INVOICE NO. WHEN PAYING THIS INVOICE.

PLEASE MAIL YOUR REMITTANCE TO ⇨ POST OFFICE BOX 477 JERSEY CITY, N.J. 07303

PRICES SUBJECT TO CHANGE WITHOUT NOTICE

PAY THIS AMOUNT
We Do Not Send Statement Unless Requested

DUPLICATE INVOICE

OPERATOR'S MONTHLY REPORT
April/May/June 1971

BOBCAT PROPERTIES, INC.
Suite 606
1730 M Street, N. W.
Washington, D. C. 20036

Docket No. OME 6833 [gold-silver]
Contract No. 2295

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 13 1971
INITIALS CODE

1] Operator's monthly voucher [form 9-1648] is attached hereto.

2] Operator's narrative report:

REMARKS: After execution of OME contract 4/28/71, operator proceeded to evaluate OME program based upon preliminary work to extend or close the Atlanta ore body to the North which had been accomplished February/March 1971 by drill hole testing of a number of holes near to, but not within, the OME program then proposed. Ten holes were drilled prior to contract execution, during the period subsequent to application for this contract November 1970. During the course of the drill test program, in March, two holes near the proposed OME holes 1 & 2 were drilled and assayed for advance investigation. Results of these were available during May. Evaluation was conducted on the site by the company's President, Consulting Geologist, and Supervisor-Engineer. This resulted in detailed geological study of the faults and other features of the immediate area, conducted during May and June, from on-site inspection by the Geologist and Engineer, study and mapping of former drill hole results and aerial photographic interpretation during the same period.

It was determined the lowest probability for ore discovery is along the N.N.W. direction from the existing ore body and the highest probability is to the East of OME lines 1, 2, 3, and 4, and N.E. of the shaft on the Atlanta grid. Relocation of drill site holes was made in a new pattern proposed to OME and accepted subject to the results of drilling the first holes in the new pattern. Copies of all drill logs, assays, maps, and sections of the previous results and new locations have been furnished, together with interpretations thereof, to the Washington and Menlo Park offices, OME.

MARCH 1966

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER For Month of April/May/June 1971

Docket No. OME- 6833[gold-silver]
Contract 14-08-0001 2295
Contract Amount $ 40,000
Gov't. Participation %75 $ 30,000

Operator's Name BOBCAT PROPERTIES, INC.
Address Suite 606 - 1730 M. Street, N. W.
Washington, D. C. 20036

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Supervisor-Engineer,		$		$		$		$
services, May	0.175	175.00	0.175	175.00				
@$1,000/mo., June	0.225	225.00	0.224	225.00				
Mileage: May	342	41.00	342	41.00				
June	200	24.00	200	24.00				
Geologic Consultant,								
services: May	5	625.00	5	625.00				
June	1	125.00	1	125.00				
Mileage: May	3,000	360.00	3,000	360.00				
Per Diem: May	6	150.00	6	150.00				
Laborer:								
= @ $3.50/hr May	16	56.00	16	56.00				
June	16	56.00	16	56.00				
Office & Accounting:								
May	1	100.00	1	100.00				
June	1	100.00		100.00				
TOTALS		$ 2,037		$ 2,037		$		$

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 1 July 1971 *Payee Bobcat Properties, Inc.

Ruth Lord Ray Title Pres.

voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treas- he case may be.

ee statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a e. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature _____ OME Field Officer _____ Date

Approved for: $ _____ (SUBJECT TO AUDIT)

Signature _____

Date _____ Vou. No. _____ (SEE OTHER SIDE)

LAW OFFICES
MATZKIN & DAY
1730 M STREET, N.W.
WASHINGTON, D.C. 20036

SHELDON J. MATZKIN
RUTHERFORD DAY
ROBERT C. KELLY

(202) 293 3350
CABLE: SIMTEC

August 10, 1971

OFFICIAL COPY
RECEIVED
AUG 12 1971

INITIALS	CODE
[illegible]	120
	~~120~~
HK	120

Mr. H. K. Stager, Field Officer
OME Region II
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

RE: OME-6833 (Gold-Silver) - Bobcat Properties, Inc.
Atlanta Mine - Lincoln County, Nevada
Contract 2295

Dear Mr. Stager:

In accordance with your letter of July 19, 1971, I enclose herewith copies of invoices of David Doan, Geologist, covering May and June 1971, for the Atlanta exploration project.

I also enclose the May invoice of Philip Hulse, Engineer-Supervisor. This invoice shows the charges for him, and also for Albert Cottino, laborer. You will note that the laborer was paid in excess of the $3.50 hourly rate allowable, so this was reduced to the allowable rate claimed in the monthly voucher. Mileage was also claimed at 15 cents a mile for the Engineer-Supervisor, which was likewise reduced to 12 cents per mile, being the allowable cost.

On August 9, I had a telephone discussion with Phil Hulse, who told me you were in Pioche and he would give you two copies of the June 1971 invoice. I have, therefore, sent only his May invoice. You will notice that the same reduction in costs apply in June, as in May, for Phil, Albert, and mileage. The other enclosures represent one of the offices, and overhead expenses amounting to $45.97 for duplicating expense for some of the material requested to be furnished.

I believe this will document the voucher adequately.

Sincerely yours,

Rutherford Day

Rutherford Day

Encls.

cc: Mr. H. Kirkemo.

LAW OFFICES
MATZKIN & DAY
1730 M STREET, N.W.
WASHINGTON, D.C. 20036

SHELDON I. MATZKIN
RUTHERFORD DAY
ROBERT C. KELLY

(202) 293-3350
CABLE: SIMTEC

August 10, 1971

Mr. H. K. Stager, Field Officer
OME Region II
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

RE: OME-6833 (Gold-Silver) - Bobcat Properties, Inc.
Atlanta Mine - Lincoln County, Nevada
Contract 2295

Dear Mr. Stager:

The only charges we have for July are for Philip Hulse for 1 day. Enclosed is the invoice, and an original and three copies of the voucher for the month of July.

The $33.00 for May telephone calls is an accummulated item against the May office and accounting expense.

~~Sincere~~ly yours,

Rutherford Day

Encls.

plus milaeg
and office/accounting.
RD

MARCH 1963

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER For Month of July 1971

Docket No. OME- 6833 (gold-silver
Contract 14-08-0001 2295
Contract Amount $ 40,000
Gov't. Participation % 75 $ 30,000

Operator's Name BOBCAT PROPERTIES, INC.
Address Suite 606 - 1730 M. Street, N. W.
Washington, D. C. 20036

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
Supervisor-Engr.		$		$		$		$
Services July	0.05	50.00	.450	450.00				
Mileage	100	12.00	642	77.00				
Office & Accounting	1	100.00	3	300.00				
TOTALS		$ 162.00		$ 2,199.00		$		$

I certify that the above bill is correct and just and that payment therefor has not been received.

Date _____ *Payee Bobcat Properties Inc

Per Rutherford Day Title Pres.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature _____ OME Field Officer _____ Date

Approved for: $ _____ (SUBJECT TO AUDIT)

Signature _____

Date _____ Vou. No. _____

(SEE OTHER SIDE)

PHIL HULSE
MINING ENGINEER
Pioche, Nevada 89043

July 29, 1971

BOBCAT PROPERTIES, INC.
Suite 606
1730 M. Street N.W.
Washington, D.C. 20036

INVOICE

To bill you for engineering services and related expenses incurred during the months of May, June, and July 1971.

May Phone calls and reproduction (2nd notice) - - - $33.00

July 26, 1971 Field trip to Atlanta With Mr. H.K. Stager
Field Officer for O.M.E. Program - - $50.00

Mileage: Atlanta & Return
100 Miles @ 12¢/mile - - - $12.00

Total Due: - - - - $95.00

Submitted by: Phil Hulse
Phil Hulse

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

July 28, 1971

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 30 1971

INITIALS	CODE
gbl	120 M
	130
HK	~~120~~

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Interim Inspection

While in the vicinity of the subject property on other OME business, an interim inspection was made on July 26, 1971, by the Field Officer, accompanied by Mr. Phil Hulse, consulting mining engineer and supervisor for the Operator.

The geology of the Atlanta Mine, and the surrounding area, was reviewed and discussed together with the results of the exploratory drilling in the pit area completed prior to the signing of the OME contract. The revised locations for the holes to be drilled when work is resumed in September were examined. Estimates were made for the amount and location of bulldozer work necessary for access roads and site preparation.

During the inspection Mr. Hulse was supplied with the usual posters and notices regarding fair employment practices, and was instructed to post them on the property.

H. K. Stager

Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

July 19, 1971

Mr. Rutherford Day
Bobcat Properties, Inc.
Suite 606
1730 M Street, N.W.
Washington, D.C. 20036

OFFICIAL COPY
... E.
... VED
L 22 '71

INITIALS	CODE
Cal	20M
	130
HK	120

Re: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Dear Mr. Day:

Your Operator's Monthly Voucher, for work done during April, May, and June 1971, was received in this office today but unfortunately cannot be processed until we receive the necessary documentary evidence to support the claimed cost items. You will note on the back of the voucher form that all costs claimed must be supported by certified copies or transcripts of payrolls, invoices, statements, etc.

For this voucher you should submit copies of the consulting geologist's statement covering his services, mileage, and per diem for six days in May and one day in June; a payroll copy or statement for the supervisor's time for May and June with his mileage; a similar payroll copy or statement for the laborer with his name and duties; and a list of office and accounting expenses with invoices or statements if available. When the above supporting documents are received we will process the voucher and forward it to Washington, D.C., for payment.

I plan to be in Pioche, Nevada, during the week of July 25 to 31 and will contact Mr. Hulse at that time so that we can visit the project area together and discuss the contract work.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: OME, Wash., D.C.
Dir. RF
ACG RF
MP RF
Docket

HKStager:mkh

Enclosure

BOBCAT PROPERTIES, INC.
Suite 606
1730 M Street, N. W.
Washington, D. C. 20036

OPERATOR'S MONTHLY REPORT
April/May/June 1971

Docket No. OME 6833 [gold-silver]
Contract No. 2295

1] Operator's monthly voucher [form 9-1648] is attached hereto.

2] Operator's narrative report:

REMARKS: After execution of OME contract 4/28/71, operator proceeded to evaluate OME program based upon preliminary work to extend or close the Atlanta ore body to the North which had been accomplished February/March 1971 by drill hole testing of a number of holes near to, but not within, the OME program then proposed. Ten holes were drilled prior to contract execution, during the period subsequent to application for this contract November 1970. During the course of the drill test program, in March, two holes near the proposed OME holes 1 & 2 were drilled and assayed for advance investigation. Results of these were available during May. Evaluation was conducted on the site by the company's President, Consulting Geologist, and Supervisor-Engineer. This resulted in detailed geological study of the faults and other features of the immediate area, conducted during May and June, from on-site inspection by the Geologist and Engineer, study and mapping of former drill hole results and aerial photographic interpretation during the same period.

It was determined the lowest probability for ore discovery is along the N.N.W. direction from the existing ore body and the highest probability is to the East of OME lines 1, 2, 3, and 4, and N.E. of the shaft on the Atlanta grid. Relocation of drill site holes was made in a new pattern proposed to OME and accepted subject to the results of drilling the first holes in the new pattern. Copies of all drill logs, assays, maps, and sections of the previous results and new locations have been furnished, together with interpretations thereof, to the Washington and Menlo Park offices, OME.

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER For Month of April/May/June 1971

Docket No. OME- 6833(gold-silver)
Contract 14-08-0001 2295
Contract Amount $ 40,000
Gov't. Participation %75 $ 30,000

Operator's Name BOBCAT PROPERTIES, INC.
Address Suite 606 - 1730 M. Street, N. W.
Washington, D. C. 20036

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Supervisor-Engineer,		$		$		$		$
services, May	0.175	175.00	0.175	175.00				
@$1,000/mo., June	0.225	225.00	0.224	225.00				
Mileage: May	342	41.00	342	41.00				
June	200	24.00	200	24.00				
Geologic Consultant,								
services: May	5	625.00	5	625.00				
June	1	125.00	1	125.00				
Mileage: May	3,000	360.00	3,000	360.00				
Per Diem: May	6	150.00	6	150.00				
Laborer:								
@ $3.50/hr May	16	56.00	16	56.00				
June	16	56.00	16	56.00				
Office & Accounting:								
May	1	100.00	1	100.00				
June	1	100.00		100.00				
TOTALS		$ 2,037		$ 2,037		$		$

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 1 July 1971 *Payee Bobcat Properties, Inc.

Per Rutherford Day Title Pres

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature _____ OME Field Officer Date

Approved for: $ _____
(SUBJECT TO AUDIT)

Signature _____

Date _____ Vou. No. _____
(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

LAW OFFICES
MATZKIN & DAY
1730 M STREET, N.W.
WASHINGTON, D.C. 20036

SHELDON I. MATZKIN
RUTHERFORD DAY

(202) 293-3350
CABLE: SIMTEC

June 28,1971

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 30 1971
INITIALS | CODE

Harold Kirkemo, Chief,
Office of Minerals Exploration
U.S.G.S., Room 4460,
Department of the Interior Bldg.,
Washington,D.C. 20242

RE: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada

Dear Mr. Kirkemo:

Attached is a list of expenses believed to be covered by the reimbursement provisions of the above-mentioned contract, having been incurred during the contract period subsequent to April 28,1971, date of execution of same, and in geographic areas bounded in red in Figure 1 attached to said contract, or within a reasonable distance to the East thereof, in aid of purposes of the contract contained in the Description of The Work:

"The location of each drill hole after the initial hole will be determined by the results of preceding holes."

If you have any question as to a particular item or items, or wish further documentation, please telephone your request.

Thanking you for your kind attention to this matter, I am,

Very truly yours,

Rutherford Day

Rutherford Day
for
Bobcat Properties,Inc.

RD:ill

BOBCAT PROPERTIES, INC.
LIST OF EXPENSES MAY-JUNE
1971 PROGRAM OME- 6833

SUPERVISOR-ENGINEER:	MAY : 3½ days @ $50 (Services)	$175.	
	JUNE: 4½ days @ $50 "	225.	
	MAY : 342 miles @ 12¢ (Mileage) *	41.	
	JUNE: 200 " " " "	24.	
GEOLOGIC CONSULTANT:	MAY : 5 days @ $125 (Services)	625.	
	JUNE: 1 " " " "	125.	
	MAY : Air Fare(D.C.-Nevada-D.C.)	295.	
	350 miles @12¢ (Auto) *	42.	
			ST:$1,552.
OFFICE and ACCOUNTING EXPENSES:	MAY : $100.	100.	
	JUNE: $100.	100.	
			ST: 200.
ASSAYING:	JUNE: 10 samples @ $4 each *	40.	
FREIGHTING & HANDLING SAMPLES:	10 @ $0.50 each	5.	
SAMPLE BAGS OR CONTAINERS:	10 @ $0.50 each	5.	
LABORER:	MAY : 16 HOURS @ $3.50 *	56.	
	June: 16 " " "	56.	
			ST: 112.
	TOTAL:		$1,864.

* Denotes reimbursable portion of greater actual expense.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/23/71		120
6/23	cae	220
6/23	cae	120M

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Enclosed is one copy each of the following material:

1. Letter, dated June 20, 1971, from David B. Doan, geologic consultant, to Rutherford Day, reviewing the geology of the Atlanta Mine area and proposing a new pattern of drill holes.

2. Map of Atlanta Mine surface area showing sites of the proposed drill holes. Map reduced to 3/4 size from 50-scale map.

3. Logs for drill holes BPA-1 through 10.

4. Spectrographic analyses.

I understand you already have the assay certificates for this drilling, a 50-scale surface map, and four cross sections furnished by Mr. Hulse. If not, we have an extra set that can be sent to you.

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources
OME Docket
OME Reading File
Mr. Kirkemo
130

HKirkemo/gla 6-23-71

DAVID B. DOAN
CERTIFIED PROFESSIONAL GEOLOGIST

EXPLORATION AND MAPPING
ENGINEERING GEOLOGY
WATER AND MINERALS
ANALYSIS AND EVALUATION

5635 BENT BRANCH ROAD
BETHESDA, MARYLAND 20016
301 - 229-3237

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 23 1971

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Calpron	
	130
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20 June 1971

Mr. Rutherford Day
Bobcat Properties, Incorporated
4977 Battery Lane
Bethesda, Maryland 20014

Dear Mr. Day:

The purpose of this letter is to discuss the existing situation at the Atlanta Mine in the light of recent subsurface investigations; to relate the culmination of your own development drilling program to the initiation of the OME-Bobcat Exploratory Drilling Program; and to offer suggestions as to how the OME Program might best be pursued.

In my previous letter to you of 19 February 1971 I commented that the proven orebody was still open to the north, but that I understood you would be testing for a NNW extension across the NNE-trending principal (unnamed) fault of the district and into the area of rhyolite volcanic rocks, bearing in mind that the Atlanta orebody itself is a mineralized breccia zone associated with the NNW-trending Atlanta Fault. The question, therefore, was whether (a) the Atlanta Fault continued across the unnamed fault, (b) the brecciation continued, and (c) the mineralization continued.

Previous geologists in the employ of earlier owners have put forth various interpretations of the geologic structure of the Atlanta District including the disposition of potential orebodies. Prior to the inception of the OME Program to test the main extension of the orebody, you completed entirely at your own expense a cluster of local drill holes near the north end of the orebody to aid in calculation of proven ore for purposes of adjusting between cash-flow projection and desirable mill throughput. While finishing this localized cluster of drillholes you initiated the 1st and 2nd holes of the OME Program.

Results of Localized Drilling

Information has been furnished me by Mr. Phil Hulse, Mining Engineer of Pioche, Nevada, supervisor of drilling for Bobcat Properties, Inc., on the results of localized drilling to establish the configuration of the orebody 100 feet north of No. 1 Shaft where old records (1962, 1966) of previous owners are ambiguous as to the existence of ore at sections 1+00N to 2+00N and thereabouts. This drilling, which included 8 holes put down under the direction of Mr. Hulse, was not intended to conflict with, nor affect, the newly approved exploration

Enclosures in

program to be jointly financed by the OME.

The drill logs, assay sheets, and interpreted cross-sections prepared by Mr. Hulse depict, toward the north, a thinning zone of fault-related breccia diminishing to below ore grade in both gold and silver values. The breccia zone apparently dips progressively less steeply toward the north as shown by Hulse's Sections 1+50N, 2+50N, and 3+50N. By the same token I recall that VLF geophysical measurements contracted by Bobcat Properties, Inc., suggest that the subsurface trace of the Atlanta breccia zone at the phreatic (ground water) surface tends more to the west as it passes north of No. 1 Shaft.

Based upon all information available to me I cannot contest the conclusion that for all practical purposes this would close the north end of the orebody.

Results of First OME Drill Holes

OME Hole 1 (Atlanta-5) shows 1.78 oz/ton Ag at the depth interval 200 to 205 feet, with lesser values much higher in the hole. OME Hole 2 (Atlanta-8) shows 5.90 oz/ton Ag from 60 to 65 feet, and 2.07 oz/ton Ag from 65 to 70 feet.

Taken in conjunction with Atlanta Holes A-10 (barren) and A-4 (1.17 ox/ton Ag at 25 to 30 feet), Hulse interprets a previously unknown zone of mineralization dipping east rather than west beginning in the area 500 feet north of No. 1 Shaft, as shown on Section 5+00N. My information from Hulse is that he has prepared this series of four E-W sections for the Atlanta-financed drilling and intends preparing a new set of sections along the ENE-trending OME lines as that program progresses. In the meantime he is deeply concerned that new ore may occur somewhat eastward of the OME Baseline, and I believe this concern is reasonable based upon the results of the first two OME drill holes.

Proposed Modification to OME Program

Under DESCRIPTION OF WORK the Office of Minerals Exploration contract with Bobcat Properties, Inc. states:

> "The location of each drill hole after the initial hole will be determined by the results of preceding holes."

The only reasonable interpretation of this proviso is that if preceding holes, alone or in conjunction, suggest preferential locations for subsequent holes based upon what might be called revealed geologic fact, then the drilling program should be so modified. If the interpretation of the contract wording expressed above has any merit what-

soever, then I should like to register the following points as a basis for proceeding with further drilling:

1. Hulse, the resident mining engineer, thinks the probability greater that possible ore zones trend N and E as distinguished from N and W from No. 1 Shaft.

2. The largest fault or fault zone in the Atlanta District trends NNE through this general area of drilling operations.

3. Subsurface indications of brecciation, and possible imbricate faulting, analyzed by former geologists for previous owners both by surface observations and airphoto analysis, display a general trend NNE from the Atlanta Mine.

4. Mr. Harry E. Nelson, Nevada Registered Geological Engineer, who worked both above and below ground at the Atlanta property for Deep Sand Petro-Energy Developments, Inc. and Eugene Jordan Associates, and who prepared the best purely geological analysis of the Atlanta Mine that I have yet studied, believes that closure of the orebody at both N and S ends involves eastward displacements of the orebody. At the south end he identifies, from subsurface observation, a displacement at least 130 feet eastward on the south side of an E-W fault apparently terminating the orebody. At the north end Nelson believes that a system of faults cuts approximately NNE and NE through the immediate vicinity of the No. 1 Shaft, and that the "main" orebody lies east of the footwall mapped at the 100 level about 100 feet east of the shaft. Nelson believes also that the orebody as presently discerned is a downthrown block on the west side of either the main Atlanta fault zone or else on the west side of some of the N- and E-trending faults he sees underground. In either case new ore should be found eastward of, and higher than, the existing orebody.

5. My own observations tend to confirm the four points elaborated above, although it is not now possible to go underground in the Atlanta mine. I am particularly impressed with the as-yet unmapped set of N- and E-trending faults through the north end of the existing orebody. My reconnaissance field observations, study of airphoto stereo-pairs, and careful perusal of Nelson's conclusions satisfies me that these faults are real and very important.

6. Based upon the regional geology mapped thus far by others, plus my own field observations, I emphatic-

ally believe that exploration in the form of further drilling toward the NNW according to the existing plan would have an extremely low probability of discovering any new ore.

For all of the reasons enumerated above, I suggest that, upon due cognizance and consideration of OME Holes 1 and 2, the OME-Bobcat Drilling Program be modified in a manner calculated to test subsurface possibilities east of the present baseline more or less as depicted on the accompanying map, as follows:

Phase I	Red	Holes 1 and 2 already drilled.
Phase II	Yellow	Holes 3 to 7 - East side of OME Lines 1,2,3.
Phase III	Blue	Holes 8 to 12- East side of OME Lines 1,2,3,4.
Phase IV	Green	Holes 13 to 16- Atlanta grid NE of Shaft.

Such a program would seem to be a more promising application of Federal monies as well as your own in exploring for more ore in the vicinity of the Atlanta property.

I am at your disposal in the event that you should want me to assist you in any further way with the design of a modified exploration or in any discussions with representatives of the Office of Minerals Exploration. Meanwhile, with every good wish, I am

Yours truly,

DAVID B. DOAN

AMERICAN INSTITUTE OF PROFESSIONAL GEOLOGISTS
CERTIFICATE NUMBER
2039
AIPG
DAVID B. DOAN
CERTIFIED PROFESSIONAL GEOLOGIST

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/18/71		120
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6/21	cal	120M

June 18, 1971

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Mr. Rutherford Day, President, Bobcat Properties, Inc., visited this office June 4, 1971, to report on recent events at the Atlanta Mine property. He brought a 50-scale map showing locations of holes drilled north of the Atlanta shaft in February and March 1971 and assay certificates of samples taken of the drill cuttings.

Mr. Day explained that he had engaged a driller to drill some holes on the Bradshaw mine property this winter. This drilling was completed during Mr. Day's absence on a trip to Europe. Mr. Phil Hulse, Day's engineering consultant, had the driller move to the area north of the Atlanta shaft where about ten holes were drilled within an area about 500 feet long and 200 feet wide. The assays indicated very sparse mineralization. Only three holes showed values of any interest--the best being in Hole BP-A8 where between a depth of 60 and 65 feet 0.02 ounce gold and 5.9 ounces silver per ton were shown. Because the results of the drilling were disappointing, a consulting geologist, Mr. David Doan, Earth Sciences, Bethesda, Maryland, was engaged to review the whole program.

I later phoned Mr. Doan and discussed the situation with him. He understood that Mr. Day was dissatisfied with Mr. Hulse's supervision of the drilling, and that he had failed to follow Mr. Day's instructions concerning the drilling. Mr. Doan visited the project area and reviewed all available information on it. Based on this review, he would recommend that three holes spaced about 250 and 270 feet apart be drilled northeast of the Atlanta shaft, with the first hole being about 680 feet northeast of the shaft. He would recommend that the trend of the pattern of subsequent holes be N.20°E. instead of N.20°W. as presently planned for the OME contract. Mr. Doan said he would prepare a revised proposal if Mr. Day requested it.

Mr. Day assured me that a revised program and request for a new starting date would be submitted very shortly. As he had not submitted any information or request for new starting date for the contract, I contacted Mr. Day's office on June 17 and, although he was not in, I was told that my message would be relayed to him at his home.

Harold Kirkemo
Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME Docket
OME Reading File

OME Region II
Mr. Kirkemo

HKirkemo/gla 6-18-71

OFFICIAL
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| 30
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PHIL HULSE
MINING ENGINEER
Pioche, Nevada 89043

June 7, 1971

Phone: 702-962-5335
702-962-5222

RE: OME - 6833
(Gold-Silver)
BOBCAT PROPERTIES, INC,
Atlanta Mine
Lincoln Co., Nevada

Mr. H.K. Stager, Field Officer, Region II
Office of Mineral Exploration
U. S. Geological Survey
Building 2
345 Middlefield Road
Menlo Park, Califorina 94205

Dear Mr. Stager:

Reference is made to our recent telephone conservation at which time you requested information regarding to the recently completed drilling program at the ATLANTA PIT.

The original purpose of this program was to hopefully extend the known (proven) ore reserves to the north. This drilling indicated some type of major structures previously unknown might have moved the ore-bearing breccia material to the north and east. You will recall I mentioned we might consider moving lines -3 through 8 (OME LINES *My purposal) further to the east.

Mr.Rutherford Day President of BOBCAT PROPERTIES. Inc. has retained Mr. David Doan as a consulting geologist to review the recent drilling program and it is My understanding they have both been in contact with Mr. Harold Kirkemo in Washington D.C.

I have enclosed the following Data:

a. 1-print 1" = 50ft. Showing recent drill holes (A-1 through A- 10) with respect to the O.M.E. BASE LINE and the proposed lines.
b. 4-sections 1" = 50ft. (1+50N, 2+50N, 3+50N, and 5+00N) showing mineralized zones cut by recent drilling.
c. Assay certificates from White Pine Assay Co., Ely Nevada, showing results of intersepts in the breccia zone.

I have forwarded My only copy of drill logs to Mr. Day's Washington Office. He has requested this in order to have them duplicated, and informs Me he will forward a copy of this data to Mr. Kirkemo and to you.

I hope this data will prove usefull to you, and if I can be of further assistance, please feel free to contact Me.

Sincerly,

Phil Hulse

PH:cc Rutherford Day

RECEIVED
JUN - 8 1971
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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JUN 1 1971

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

Mr. Rutherford Day, President, Bobcat Properties, Inc. phoned this office today to report on events at the Atlanta mine property since the contract was signed.

The Operator on its own account has drilled a few holes in the area of the southernmost holes planned on the OME contract. A consulting geologist who had reviewed the results of this drilling informed Mr. Day it is likely that a fault north of the Atlanta No. 1 shaft cuts the mineralized zone and offsets it eastward north of the fault. Consequently, the pattern of holes for the OME project should be changed to a trend bearing more nearly due north than is indicated on Figure 1 of the contract.

Mr. Phil Hulse, project supervisor, is preparing a map showing a revised pattern of drill holes for the OME project. Meanwhile, Mr. Day has requested a bid from a bulldozer contractor to prepare access roads and drill sites. The bid is expected in a week or so. The revised drill pattern places the roads and sites in more difficult terrain than was originally planned.

Mr. Day was unaware of the fact that contract work should have been started by April 28, 1971. He thought that as long as the work was completed within six months of the date of the contract, the contract terms would have been complied with satisfactorily. He assured me that as soon as he has a bulldozer operator engaged to work on the project, he will submit a request for an amendment to set a new starting date, and to substitute a revised Figure 1 for the contract.

Harold Kirkemo

Harold Kirkemo

cc: Director's reading file
Mineral Resources
OME reading file
Region II
Mr. Kirkemo
H. Kirkemo/cac 6-1-71

GOLDEN CYCLE CORPORATION
115 Barnes Avenue
P.O. Box 4576
Colorado Springs, Colorado 80909
303-473-7325

J. R. Peters
Secretary - Treasurer

OFFICIAL COPY
O. & G. R.
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APR 23 1971
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Gol 120
WEP 20

April 21, 1971

United States Department
of the Interior
Geological Survey
Washington, D.C. 20242

OME 6833

Attention: William L. Emerick
Assistant Chief
Office of Minerals Exploration

Dear Mr. Emerick:

In accordance with your letter of April 16, 1971 I am enclosing five copies of the Lien and Subordination Agreement for Bobcat Properties, Inc. with the second sentence under Item 3 stricken and initialed by W. T. Wells on April 20, 1971.

If you need anything further, please don't hesitate to contact me.

Sincerely,

JR Peters

JRP:ms

Encl.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/23/71	Emerick	120E
4/26	Kilgaard	
4/26	Abera	220
		120E
		220
		120M

APR 28 1971

Mr. Rutherford Day
President
Bobcat Properties, Inc.
1730 M Street, N. W., Suite 606
Washington, D. C. 20036

Re: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada

Dear Mr. Day:

Enclosed are the original and three copies of a proposed contract to explore the Atlanta mine. The contract consists of MME Form 50 (seven pages), Annex I (one page), a Lien and Subordination Agreements, Exhibit A (three pages), and one map (Figure 1). All copies of the contract have been signed for the Government.

If the proposed contract is satisfactory to you, please insert the date for commencement of the work under Article 1, first page, sign all copies where indicated on Page 7, and return all of the copies, except the Operator's copy, to this office.

If any part of the proposed contract does not meet with your approval, the original and all copies should be returned to this office together with your changes for consideration.

Please note that the 8 percent interest in Article 1(c) of the contract accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

Sincerely yours,

William L. Emerick

W. L. Emerick
Assistant Chief,
Office of Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region II
Mr. Emerick
130

LAult/a 4-23-71

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/28/71	Emerick	120E
4/28	Cac	220
		120M

APR 28 1971

Memorandum

To: Field Officer, Region II

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada
Contract 2295

The subject contract was signed by Mr. Rutherford Day, President, Bobcat Industries, Inc., in the OME office on April 28, 1971. The covering letter and the Operator's copy of the contract were given to him at this time. The Field Office's copy of the executed contract and copy of our letter to the Operator, dated April 27, are enclosed.

William L. Emerick gla

W. L. Emerick

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Emerick
130

WLEmerick/gla 4-28-71

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/20/71	Emerick	120
		120
4/21	Coc	220
		120M

AIRMAIL

APR 20 1971

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada

Enclosed is the extra Field Office copy of the proposed contract on the subject property for your review and use. As agreed by telephone, we will send the other copies directly to the Applicant here in Washington for approval and signature. When Golden Cycle Corporation returns the Lien and Subordination Agreements we will forward the field copies to you. If you have any questions on the proposed contract let us know.

Harold Kirkemo
cpa

Harold Kirkemo

Enclosure

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Emerick
130

WLEmerick/bsl 4/20/71

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/16/71	Emerick	120
4/16/71	Kirkham	120
		220
		120M

April 16, 1971

Mr. J. Robert Peters, Secretary
The Golden Cycle Corporation
P. O. Box 4576
Colorado Springs, Colorado 80909

Re: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada

Dear Mr. Peters:

The telephone number you gave us to reach Mr. MacDougall in Cripple Creek solved our problem - one of inverted numbers. Mr. MacDougall was agreeable to striking out the second sentence typed in the blank spaces under item 3 of the Bobcat Properties, Inc. Lien and Subordination Agreements.

The sentence, accordingly, has been stricken from the five copies of the Lien and Subordination Agreements. We enclose the five copies of the document and would appreciate it if Mr. Wells would initial and date the deleted sentence. Please return all five copies to this office.

Thank you for your help.

Sincerely yours,

William L. Emerick
Assistant Chief
Office of Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region II
Mr. Emerick

WLEmerick/bsl 4/16/71

DRAFT 3/19/7[redacted]
WLEmerick/bs[redacted]

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MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6833	Gold-Silver		Lincoln	Nevada

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Bobcat Properties, Inc.

whose mailing address is 1730 M Street, N. W., Suite 606, Washington, D. C. 20036 hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 6 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $40,000.00. The Government will contribute ~~50~~ 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $30,000.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's right in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

SEE ANNEX I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

SEE ANNEX I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.-- The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the related costs.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of the same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article, or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring, owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retains his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract, or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or Producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provision.--

_____

_____

_____

_____

Executed in ~~quintuplicate~~ qu adruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

BOBCAT PROPERTIES, INC.
(Operator)

By _____

Title _____

By _____
Director, U. S. Geological Survey

I, _____ (Name), certify that I am the

_____ secretary of the corporation named as Operator herein; that

_____ (Name), who signed this contract on behalf of the Operator, was then

_____ (Title) of said corporation; that said contract was duly signed for

and in behalf of said corporation by authority of its governing body, and is within the scope of its

corporate powers.

_____

 [CORPORATE SEAL]

EXPLORATION CONTRACT
BOBCAT PROPERTIES, INC.
OME-6833

ANNEX I

The land, including all rights thereto, referred to in Article 2 of the contract consists of eleven (11) patented lode mining claims and two (2) unpatented lode mining claims in Secs. 14 and 15, T. 7 N., R. 68 E., MDBM, Atlanta Mining District, Lincoln County, Nevada. These claims are shown on Figure 1, entitled "Property map showing location of proposed exploration at the Atlanta Mine, Lincoln County, Nevada," attached and made part hereof.

The patented lode mining claims are as follows:

Claim Name	U. S. Survey No.
Atlanta No. 1	3915
Atlanta No. 2	3915
Atlanta No. 3	3915
Atlanta Strip	3915
Atlanta Strip No. 1	3915
Atlanta Home	3915
Pactolian Fraction	3915
Sparrow Hawk	3915
Hillside	3915
Belle	3915
Minnett and Hays No. 1	3290

The unpatented lode mining claims are recorded in the Recorder's Office at Pioche, County Seat of Lincoln County, Nevada, as follows:

Claim Name	Book	Page
Mid No. 1	Q-1	52
Mid No. 2	W-1	297

The Operator is in possession of the claims under the terms of a Mining Lease and Option to Purchase agreement, dated November 1, 1970, between The Golden Cycle Corporation, lessor and owner, and Bobcat Properties, Inc., lessee.

Lien and Subordination Agreements executed by the owner of the above claims are attached and made a part hereof.

EXPLORATION CONTRACT
BOBCAT PROPERTIES, INC.
OME-6833

EXHIBIT A

The purpose of the project is to explore by rotary drilling from prepared surface sites for gold- and silver-bearing ore in a silicified breccia zone~~s~~ in dolomite~~s~~ of Ordovician age.

GENERAL PROVISIONS

The Government will contribute only to the costs of work performed in the areas within the boundaries outlined in red on Figure 1.

Drill holes shall be drilled not less than 100 feet from the outer boundaries of the area outlined in red on Figure 1.

All drill holes shall be cased as necessary to insure proper and accurate sampling. The Government will not contribute to the cost of casing left in a hole at the Operator's request.

Facilities shall be provided for recovering the drill cuttings, and such cuttings shall be stored in suitable containers properly marked as to hole number and depth represented.

Significantly mineralized cuttings from the drill holes shall be sampled, but no single ~~such~~ sample shall represent more than 5 linear feet of hole. Each sample shall be split and one split assayed for gold and silver. All remaining splits shall be stored in suitable containers properly marked as to drill hole and depth represented. Stored splits of samples may be disposed of with prior Government approval.

True copies of assay certificates, copies of drill logs, and maps or sketches showing the work completed during the reporting period, the location, width, and assay values of all samples assayed, and the geological formations and structures traversed by the drill holes shall be furnished monthly to the Government.

The Operator shall provide such supervision, labor, and technical services as may be required to complete the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Government approval.

The Operator shall provide for restoration of any surface damage to the land shown on Figure 1 resulting from operations of the project.

DESCRIPTION OF THE WORK

The work shall consist of preparing access roads and drill sites; rotary drilling test holes up to 450 feet in depth across the projected strike of a breccia zone for an estimated total footage of 5,000 feet; collecting drill cuttings; logging the geology in each hole; and sampling mineralized material for assay. Upon completion of the exploratory drilling, restore the surface to about its original configuration.

Starting at a point about 400 feet north of the Atlanta No. 1 shaft, drill 8 lines of 3 to 4 holes each with drill holes about 100 feet apart and lines of holes about 200 feet apart. The location of each drill hole after the initial hole will be determined by the results of preceding holes. The tentative locations of the proposed drill holes are shown on Figure 1.

ESTIMATED COSTS OF THE PROJECT

Actual Costs

Category (1) **Independent Contracts**

Bulldozing access roads and drill sites, and restoring surface of land	
130 hours @ $15.00/hour	$ 1,950.00
Mobilization and demobilization of drill rig,	500.00
Rotary drilling (minimum hole size, 3-1/2 inch diameter)	
5,000 feet	27,500.00

Depth, Feet	Price Per Foot
0-450	$5.50

Casing lost in hole,	
50 feet @ $3.00/foot	150.00
Total Category (1)	$30,100.00

Category (2) **Personal Services**

None except:

1 Supervisor-Engineer,	
3 months @ $1,000/month	$ 3,000.00
1 Geologic Consultant,	
10 days @ $125.00/day	1,250.00
1 Laborer	
360 hours @ $3.50/hour	1,260.00
Total Category (2)	$ 5,510.00

Category (7) Miscellaneous

None except:

Per diem, Geologic Consultant,	
10 days @ $25.00/day	$ 250.00
Transportation, Geologic Consultant,	
3,000 miles @ $0.12/mile	360.00
Transportation, Supervisor, including transportation of samples from property to freight office,	
2,000 miles @ $0.12/mile	240.00
Office and accounting expenses, including incidental costs and report preparation,	
4 months @ $100/month	400.00
Payroll taxes, F.I.C.A., insurance,	640.00
Assaying for gold and silver,	
500 samples @ $4.00/sample	2,000.00
Freighting and handling samples,	
500 samples @ $0.50/sample	250.00
Sample bags or containers,	
500 @ $0.50/each	250.00

Total Category (7) ..... $4,390.00 ⟶

Total Estimated Cost of the Project..... $40,000.00

Government Participation @ 75% $30,000.00

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

March 8, 1971

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 10 1971

INITIALS	CODE
gla	130
	120
HK	110
WE	120

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada

Enclosed is an Application Report on the subject property recommending that a contract be granted consisting of 5,000 feet of rotary drilling from surface sites at an estimated total cost of about $40,000.00.

Also enclosed are five extra copies of Figure 2, for your use if a contract is granted.

H. K. Stager

Enclosures

UNITED STATES

DEPARTMENT OF THE INTERIOR

ROGERS C.B. MORTON, SECRETARY

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

APPLICATION REPORT

OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada

On-Site Exam Report

By

H. K. Stager
Field Officer
OME, Region II

March 8, 1971

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Illustrations

Figure 1. Index map of Lincoln County, Nevada.

Figure 2. Property map showing location of proposed exploration at the Atlanta Mine, Lincoln County, Nevada.

INTRODUCTION

Bobcat Properties, Inc., of 1730 M Street, N.W., Suite 606, Washington, D. C. 20036, applied to the Office of Minerals Exploration for Government assistance in an exploration project, Docket OME-6833, to explore for gold and silver at the Atlanta Mine, Atlanta mining district, Lincoln County, Nevada. The Applicant infers the presence of a large, low-grade, gold- and silver-bearing ore body in silicified breccia zones in limestone and wishes to explore for this ore body by rotary drilling from surface sites.

A previous exploration project at the adjoining Bradshaw Mine, OME-6611, Contract 2240, during the period of August to November 1967 did not discover minable ore bodies and was not certified.

Inasmuch as the Field Officer had been on the property numerous times and had examined the exposures in the open-pit Atlanta gold mine in the area of the proposed exploration, a new field examination was not considered necessary. The Applicant's maps, reports, assay data, and cost estimates were carefully examined and discussions were held by telephone with Mr. Philip Hulse, consulting mining engineer for the Applicant.

SUMMARY

The Atlanta Mine property contains a large gold- and silver-bearing ore deposit in a silicified breccia zone in dolomite of Ordovician age. The known ore body has yielded about 50,000 tons of ore and contains about 1,200,000 tons of measured and indicated reserves with an average grade of 0.14 ounce of gold and 1.78 ounces of silver per ton, minable by open-pit methods. The results of previous work and geologic studies indicate the mineralized breccia zone continues northwestward, under alluvial cover, and may contain an

additional tonnage of inferred reserves equal to several times the amount of the known measured and indicated reserves. Exploratory drilling is necessary to determine the size, grade, and exact location of the ore body. The Applicant proposes to explore the deposit by about 5,000 feet of rotary drilling in 28 holes from surface sites. The project site is readily accessible and facilities for accomplishing the work are available.

RECOMMENDATIONS

It is recommended that the Government enter into a contract with Bobcat Properties, Inc., to provide 75 percent of the costs of the proposed program to explore the northwest extension of the Atlanta gold-silver deposit. The program will require about four months to complete and the Government's share of the estimated total cost of $40,000 would be $30,000.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Atlanta Mine property is in secs. 14 and 15, T. 7 N., R. 68 E., MDBM, Atlanta mining district, Lincoln County, Nevada (Fig. 1), at the north end of the Wilson Creek Range, at an altitude of about 7,000 feet.

To reach the property, that is about 40 miles northeast of Pioche (the closest town), drive 29 miles north on Nevada Highway 93 to Pony Springs, then turn east on an improved county road (dirt) for about 22 miles to the Atlanta Mine camp. The last 22 miles of dirt road are passable to ordinary passenger vehicles except in heavy rain or snowstorms. The drive from Pioche requires about 1½ hours.

Mail, telephone, trucking, and railroad services are available in Pioche. Labor, mining equipment, materials, and supplies are available in Ely (112 miles) or Las Vegas (257 miles). Water is available locally from springs and

wells and is piped to the Atlanta mill and camp. Assay service is available in Salt Lake City, Utah (241 miles), at about $4 per sample for gold and silver. The local wage scale for mine labor is $3-$4 per hour.

PROPERTY

History and Production

The Atlanta mining district, formerly known as the Silver Park or Silver Springs mining district, was discovered in 1869. In 1872, two mills were in operation on rich silver ores from the west side of the district. The Atlanta gold mine was discovered in 1905 but was not extensively developed because of the low grade of its ores. The property was acquired by the Richmond Chemical Company about 1940, and later (1954-55) by the Atlanta Gold and Uranium Company that mined and shipped 22,000 tons of ore to Kennecott Copper Corporation in McGill, Nevada. The mine development was enlarged by Hoover Construction Company in 1961 and McKinney Mines about 1962-63. Deep Sand Petro-Energy Developments, Inc., optioned the property in 1965, from which company it was acquired by Eugene Jordan Associates, who later assigned it to A & B Gold-Silver Mines, Inc. Open-pit mining of the Atlanta deposit was started in the spring of 1966 and the ore was treated in a newly constructed 350-tons-per-day capacity cyanide mill on the property. During 1966 a total of 26,957 tons of ore was produced that yielded 3,725 ounces of gold and 4,700 ounces of silver valued at $135,065. An OME project was conducted by A & B Gold-Silver Mines, Inc., in 1967 on the adjoining Bradshaw Mine property but this drilling project did not discover minable ore bodies and the project was not certified. In 1969 the property was acquired by Golden Cycle Corporation and additional drilling

and feasibility studies were undertaken by that company. The Golden Cycle Corporation management determined that the deposit could not be operated profitably at the present price of gold and silver and sold the mill to Aztec Mining Company. In October 1970, Bobcat Properties, Inc., obtained a Mining Lease and Option to Purchase from the Golden Cycle Corporation and in November 1970 applied to the Office of Minerals Exploration for Government assistance in a proposed exploratory drilling program.

Ownership

The property owned by Golden Cycle Corporation and under lease and option to purchase to the Applicant consists of 12 patented claims, 173 unpatented lode claims, and 2 unpatented mill site claims, power lines, and water lines, and totals approximately 3,640 acres. The claims, together with recording data, are listed by groups and names in the lease and option. Lien and Subordination Agreements, signed by the owner, were submitted with the application.

All of the proposed exploration work is confined to the Atlanta No. 1 and No. 2 patented claims and the Mid No. 1 and No. 2 unpatented claims.

For the purposes of the OME project it is suggested that only the 11 patented claims comprising the Atlanta group, plus the unpatented Mid No. 1 and Mid No. 2 Claims, be included in the land subject to the terms of the contract.

These claims (Fig. 2) are recorded at Pioche, Nevada, as follows:

Claim Name		Book	Page
Atlanta No. 1 Atlanta No. 2 Atlanta No. 3 Atlanta Strip Atlanta Strip No. 1 Atlanta Home Pactaolian Fraction Sparrow Hawk Hillside Belle	Survey No. 3915 Patent No. 282689	A-1	376
Minnett and Hays No. 1	Survey No. 3290 Patent No. 328251	B-1	37
Mid No. 1	Unpatented	Q-1	52
Mid No. 2	Unpatented	W-1	297

Book + page no. from application OME-6611

Financial Eligibility

The Applicant furnished copies of letters to banks requesting loans for the proposed work; copies of letters of refusal from the banks; and also a financial statement for Bobcat Properties, Inc., a Nevada corporation.

The Applicant's assets, as of February 19, 1971, consisted of the lease with Golden Cycle Corporation valued at $7,500.00 and a cash balance of $500.00 in account with the First National Bank of Nevada.

On February 25, 1971, Mr. Rutherford Day, president and sole stockholder of Bobcat Properties, supplied a sworn statement to the Office of Minerals Exploration that should a contract be executed he would make available by a personal loan to Bobcat Properties a sum of money not exceeding $25,000.00 through his bank, Guaranty Bank & Trust Company, Fairfax Circle, Fairfax, Virginia 22030, as the Operator's share of the proposed exploration costs.

Development

The Atlanta Mine, in recent years, has been mined by open-pit methods and the former underground mine that consisted of 90 feet of surface adit, 482 feet of vertical shaft, and 3,390 feet of drifts, crosscuts, raises, and winzes, has been made inaccessible. Production facilities consist of a power line, power substation, three-stage crushing plant, mill building with 260-tons-per day grinding capacity, cyanide plant, laboratory, and administration office. Trailer houses and trailer parking facilities are provided for the employees. About 60 men are employed when the mine and mill are operating. The mill was sold to Aztec Mining Company by the owners but to date has not been removed from the property. The Applicant is now negotiating with Aztec Mining Company to purchase the mill and leave it on the property.

GEOLOGY

Geologic Setting

The Applicant submitted numerous detailed geologic and engineering reports, maps, and cross sections describing the geology and ore deposits of the district. Only a brief summary will be given in this report to outline the target area to be tested by the proposed exploration.

The Atlanta mining district is in an area of moderate relief but much of the surface is covered by alluvium and slope wash which, in places, is as much as 50 feet in depth. Because of the cover, outcrops are sparse in the mine area, and only the highly silicified breccia zones form outcrops that are resistant to erosion.

The oldest rocks exposed in the district are limestones, quartzites, and dolomites of Ordovician to Devonian age. These sedimentary rocks are intruded and overlain locally by volcanic rocks of Tertiary age. The sedimentary rocks, in general, strike northwest and dip moderately northeast. The rocks are complexly faulted by numerous faults with random orientation that, in general, dip steeply and have considerable displacement. Zones of brecciation are well developed at the intersections of these faults and much of the brecciated material has been intensely silicified and locally mineralized.

Ore Deposits

The principal ore deposits of the Atlanta district are gold- and silver-bearing silicified breccia zones in limestones and dolomites. The ore bodies are generally lenticular to pipelike in shape and are localized along fault intersections. The Atlanta ore body strikes about N. 20° W., dips 35°-60° W., is 50-150 feet in thickness, about 750 feet in length, and has been developed to a depth of about 300 feet. The ore body has been reasonably well delineated on the south end but the north end is covered by alluvium and may extend several thousand feet in this direction. It contains more than a million tons of developed ore with an estimated grade of 0.14 ounce of gold and 1.8 ounces of silver per ton. The gold and silver are in submegascopic particles in a dolomite breccia that has been intensely silicified. Much of the ore consists of more than 90 percent silica. Traces of uranium (about 0.05% U_3O_8), lead, zinc, and copper are also contained in the ore. In addition to silica, gangue minerals are calcite, barite, iron and manganese oxides, as well as breccia fragments of dolomite and limestone. The ore body has

been oxidized to the level of the deepest workings. The average gold content of the ore decreases slightly with depth but the silver content increases so that the gross value of the ore increases slightly with depth.

Sampling

The application included many reports by mining geologists and engineers with the results of thousands of sample assays. Results of assays from channel samples, muck samples from underground development, bulk samples, grab and chip samples, drill hole samples, and the results of ore shipments and milling indicate a gold content ranging from 0.05 to 0.5 ounce per ton with an average of about 0.14 ounce per ton. Silver assays range from 0.50 to 4.42 ounces per ton and average about 1.78 ounces per ton.

Ore Reserves

Measured and indicated ore reserves at the Atlanta Mine have been carefully calculated by the many previous owners and operators. Details of these calculations are contained in the reports attached to the application. It has been reasonably established that measured and indicated reserves total at least 1,200,000 tons of ore with an average grade of 0.14 ounce of gold and 1.78 ounces of silver per ton. These reserves are above a depth of 250 feet in the deposit, the practical open-pit depth of mining, and from 50 feet north of the north face of the 200 level to 30 feet south of the No. 7 raise on the 200 level, a horizontal distance of 750 feet. Additional reserves are inferred to be about 3,700 tons per foot below a depth of 250 feet and 1,500 tons per foot of strike length to the north. Total reserves by one calculation were about 6,000,000 tons.

If the ore body extends northward through the area of the proposed exploration, the minable indicated ore reserves could be increased by about 3,000,000 tons. These reserves are the target of the proposed exploration.

EXPLORATION

Applicant's Proposal

The Applicant proposed to explore the Atlanta Mine property by about 9,000 feet of drilling at a total estimated cost of $100,000.00. The drilling was proposed for two areas, one north of the Atlanta Mine open pit and the other along a breccia zone between the Atlanta Mine and the Bradshaw Mine to the south.

Previous exploration, under OME-6611, Contract 2240, northward from the Bradshaw Mine did not discover significant gold-silver mineralization and Government participation in additional exploration along this structure is not considered justified.

Exploratory drilling along strike north of the Atlanta Mine is justified. The project for this area as outlined by Mr. Philip C. Hulse, in his report dated November 24, 1970, is adequate to test the target and the costs are reasonable.

Examiner's Proposal

I propose that the northerly extension of the Atlanta Mine gold- and silver-bearing breccia zone be explored by 8 lines of rotary drill holes spaced about 200 feet apart. The first line of 3 to 4 holes about 100 feet apart should be drilled across the projected strike of the breccia zone about 400 feet north of the Atlanta No. 1 shaft. Each subsequent line of holes should be about 200 feet further north along the strike and oriented so as to test the breccia zone to depths of from about 50 to 250 feet. The tentative locations for the proposed holes are shown on Figure 2 but the location for each hole should be guided by the results of the previous holes.

Proposed Exploration Costs

The Applicant has supplied cost estimates and bids from drilling and bulldozing contractors. One drill rig should complete about 100 feet of hole per day. Allowing for delays and moving between holes about 50 working days or 2½ months will be required for the job. A drilling rig, owned and operated by Amberson Construction Company, is now on the Bradshaw Mine property. Drilling experience to date is favorable and the contractor has agreed to drill the Atlanta Mine project for $5.50 per foot to maximum depths of about 450 feet per hole. This is a reduction of 45 cents per foot from the bid price of November 23, 1970. Mobilization and demobilization of the drill rig will be $500, but if a contract is approved before the present drilling is completed, there will be no charge for mobilization. A local bulldozing contractor is also presently working nearby and will build all necessary roads and drill pads at an hourly rate of $15.00, a very favorable rate for this area. Careful logging and sampling of the drill cuttings will require a full-time supervisor and one laborer. A consulting geologist should be provided for at an estimated cost of $125 per day for about 4 days per month.

Cost Estimate

Actual Costs

Independent Contracts

Preparation of roads and drill sites:		
Bulldozing 130 hours at $15 per hour	$ 1,950.00	
Down-the-hole rotary hammer drilling:		
Mobilization and demobilization of drill rig ...	500.00	
Drilling, 0-450 feet, 5,000 feet at $5.50/ft. ..	27,500.00	$29,950.00

Supervision and Technical Services

1 Supervisor-engineer, 3 months at $1,000 per month	3,000.00	
1 Outside consulting geologist, 10 days at $125 per day	1,250.00	

Labor

1 Laborer, 360 hours at $3.50 per hour	1,260.00	5,510.00

Miscellaneous

5 Payroll taxes, FICA, insurance, etc., at 15% of payroll	640.00	
Travel expenses, outside consulting geologist:		
1 Per diem, 10 days at $25 per day	250.00	
2 Travel Salt Lake City to mine and return 3,000 miles at 15¢ per mile	450.00	
3 Travel expenses, supervisor, including transportation of samples from property to freight office, 2,000 miles at 15¢ per mile	300.00	
6 Assays for gold and silver: 500 samples at $4 each	2,000.00	
7 Transportation and handling of samples: 500 samples at 50¢ each	250.00	
8 Sample bags or containers: 500 at 50¢ each	250.00	

Office expenses, accounting, report preparation, and incidental costs, 4 months at $100 per month	$ 400.00	$ 4,540.00
Total estimated costs of the work		$40,000.00
Government participation at 75 percent		$30,000.00

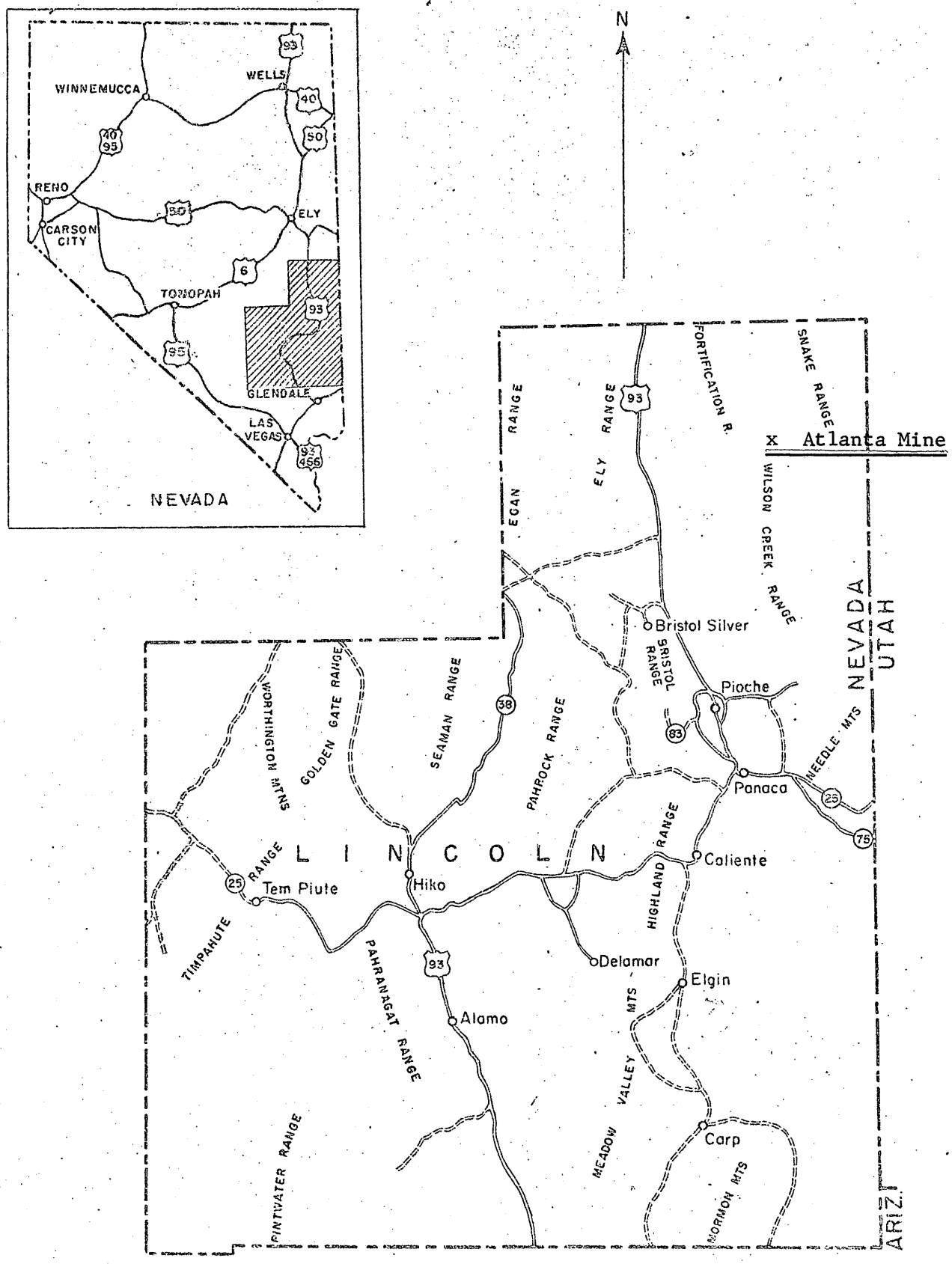

Figure 1. INDEX MAP OF LINCOLN COUNTY, NEVADA

0 20 40 60 Miles

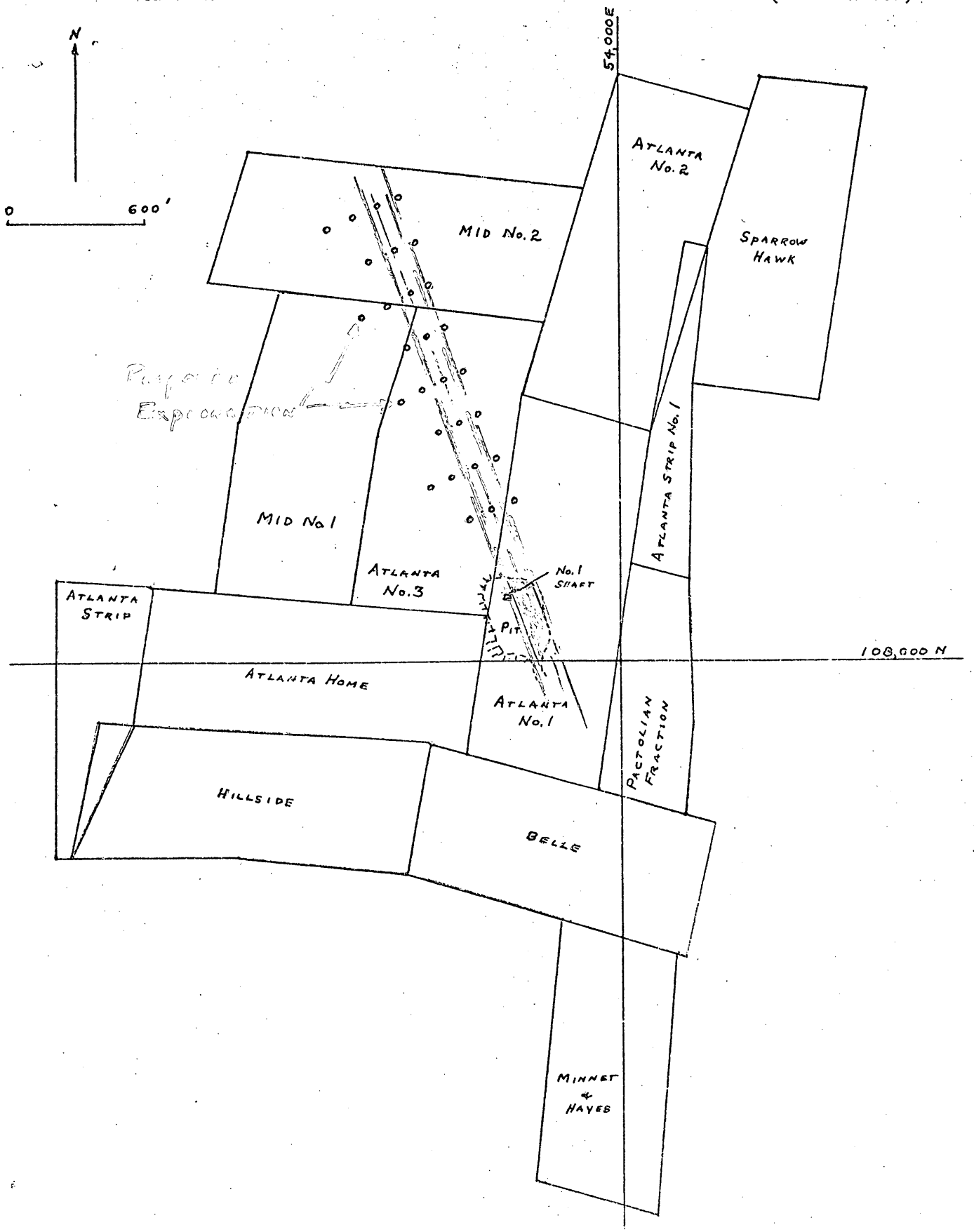

Figure 2. Property map showing location of proposed exploration at the Atlanta Mine, Lincoln County, Nevada.

LAW OFFICES
MATZKIN & DAY
1730 M STREET, N.W.
WASHINGTON, D.C. 20036

SHELDON I. MATZKIN
RUTHERFORD DAY

(202) 293-3350
CABLE: SIMTEC

February 25, 1971

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Mr. Harold Kirkemo, Chief
Office of Mineral Exploration
U. S. Department of the Interior
Geological Survey
Washinton, D. C. 20242

RE: OME-6833 [Gold Silver]
Bobcat Properties, Inc.
Atlanta Mine - Lincoln County, Nevada

Dear Mr. Kirkemo:

Pursuant to our conversation of February 23rd, there is enclosed herewith the certified statement in accordance with your requirements.

Copy to R-II

With best wishes,

Sincerely yours,

Rutherford Day

Rutherford Day, President
Bobcat Properties, Inc.

Encl. 1

LAW OFFICES
MATZKIN & DAY
1730 M STREET, N.W.
WASHINGTON, D.C. 20036

SHELDON I. MATZKIN
RUTHERFORD DAY
ROBERT C. KELLY

(202) 293-3350
CABLE: SIMTEC

February 24, 1971

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U. S. Department of the Interior
Geological Survey
Washington, D. C. 20242

RE: OME-6833 [Gold-Silver]
Bobcat Properties, Inc.
Atlanta Mine - Lincoln County, Nevada

STATEMENT

The undersigned does hereby certify and guarantees to make available by personal loan a sum of money up to a total amount, but not exceeding, $25,000.00, through his bank, Guaranty Bank & Trust Company, Fairfax Circle, Fairfax, Virginia 22030, from his individual, personal funds, for the applicant operator's share of the proposed exploration project, should a contract be executed between Bobcat Properties, Inc., a Nevada corporation, and the United States of America under OME-6833 application.

Rutherford Day
RUTHERFORD DAY

CITY OF WASHINGTON)
DISTRICT OF COLUMBIA) ss;

There came before me in my City and District aforesaid, Rutherford Day, who, being a person well known to me, did depose and say that he does swear to and affirm the foregoing upon his oath, individually, and as sole stockholder of, President, and authorized signatory of Bobcat Properties, Inc., a Nevada corporation, applicant under the aforesaid OME exploration project.

Sworn to and subscribed before me, this 25th day of February, 1971.

Imogene J. Miles
NOTARY PUBLIC
My commission expires: My Commission Expires March 1, 1973.

LAW OFFICES
MATZKIN & DAY
1730 M STREET, N.W.
WASHINGTON, D.C. 20036

SHELDON I. MATZKIN
RUTHERFORD DAY

(202) 293-3350
CABLE: SIMTEC

February 19, 1971

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U. S. Department of the Interior
Geological Survey
Washington, D. C. 20242

RE: OME-6833 [Gold-Silver]
Bobcat Properties, Inc.
Atlanta Mine, Lincoln County, Nevada

Copy to R-II

Dear Mr. Kirkemo:

Mr. Day has asked me to send you the enclosed notarized statement concerning the financial status of Bobcat Properties, Inc.

It is hoped that this will complete the information needed by your office. If not, would you please call Mr. Day before February 25th as he will be leaving the country and will be gone for several weeks.

Sincerely yours,

Barbara Wadsworth

Barbara Wadsworth, Secretary
Bobcat Properties, Inc.

Encl: 1

Copy with enclosure to Region II

CITY OF WASHINGTON)
DISTRICT OF COLUMBIA) ss:

There came before me, in my City and District aforesaid, Rutherford Day, who being duly sworn on oath according to law did depose and say that he is the President of BOBCAT PROPERTIES, INC., a Nevada corporation, the seal of which is annexed hereto, and that he swears that the following is a statement of the financial condition of the said BOBCAT PROPERTIES, INC., as of this date, and as of November 1970.

Assets

Lease with The Golden Cycle Corporation, dated October 29, 1970	$7,500.00
Bank Account No. 0671081 - First National Bank of Nevada Reno, Nevada [Main Office]	500.00
Total assets.....	$8,000.00

Liabilities

None

Rutherford Day
RUTHERFORD DAY, President
BOBCAT PROPERTIES, INC.

ATTEST:

Barbara Wadsworth
Barbara Wadsworth, Secretary
BOBCAT PROPERTIES, INC.

Sworn to and subscribed before me this 18th day of February, 1971.

Jack H. Fullman
NOTARY PUBLIC
District of Columbia

My commission expires Aug. 31, 1975

PHIL HULSE
MINING ENGINEER
Pioche, Nevada 89043

Phone:
702-962-5635
702-962-3222

Feb. 4, 1971

O. M. E.
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Mr. H. K. Stager, Field Officer Region II
OFFICE OF MINERAL EXPLORATION
U. S. Geological Survey
Building 2
345 Middlefield Road
Menlo Park, California
94025

Re: OME-6833
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada

See left side of docket for enclosures

Dear Mr. Stager:

Reference is made to our telephone conservation of February 1st regarding Bobcat's OME Application at the Atlanta Mine. At that time you indicated copies of the drilling contra ctors bid were needed to complete you processing the Application. I have enclosed seven (7) bid proposals from drilling contractors to date.

I have talked with Mr. Day since our conversation of the first of February, and he has informed me he will forward you the necessary information with regards to his financial statement.

With reference to bulldozing work, we presently have a local contractor working at the mine by the hour. His rate is $15.00/hour which includes the fuel and operator. He has agreed to build all access roads and drill pads on an hourly basis as required. Reference is made to Item 7(a) page 7 - of My Engineers Report dated November 1970 which accompanied the OME Application. Based on the above data, Bulldozing and road work would run less than $2,400.00 (Two Thousand Four Hundred Dollars).

If I can be of further assistance, please feel free to contact Me at any time.

Sincerely,

Phil Hulse

Phil Hulse
Bobcat Properties, Inc.
P.O. Box 175
Pioche, Nevada
89043

RECEIVED
FEB - 8 1971
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

PH:cc Rutherford Day
OME File

MME Form 7
(2/63)

OFFICIAL FILE COPY

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January 12, 1971

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada

Returned Mr. Day's phone call from Reno, Nevada (702) 323-1611 extension 830, collect.

Gave him Mr. Stager's phone number at Midtown Motel in Reno (702) 323-7178. Stager is expected there today from Menlo Park on business other than subject docket.

Day wanted to know if any additional material was required for the application. No rush to examine property (-20°F.) there. Mr. Day and/or Mr. Hulse will leave their number at Midtown Motel for Mr. Stager to call them if convenient. Both Day and Hulse expect to leave Reno today.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Mineral resources
OME docket
OME Reading File
Mr. Kirkemo

HKirkemo/gla 1-12-71

LAW OFFICES
MATZKIN & DAY
1730 M STREET, N.W.
WASHINGTON, D.C. 20036

SHELDON I. MATZKIN
RUTHERFORD DAY
ROBERT C. KELLY

(202) 293-3350
CABLE: SIMTEC

December 14, 1970

INITIALS CODE
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Copy to R-II

Mr. Harold Kirkemo
Chief, Office of
Minerals Exploration
U. S. Department of the Interior
Geological Survey
Washington, D. C. 20242

RE: OME-6833 [Gold-Silver]
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada

Dear Mr. Kirkemo:

Pursuant to our telephone conversations, following Mr. Day's departure on a trip to Europe and South Africa, and in response to your letter of December 2, 1970, the following additional information is supplied:

1. The Corporate Officers are:

   Rutherford Day, President and Treasurer
   1730 M Street, N. W.
   Washington, D. C. 20036

   Barbara Wadsworth, Executive Vice President
   and Secretary
   413 Prince Street
   Alexandria, Virginia 22314

   Mr. Edward B. Riggs, Vice President
   2443 P Street, N. W.
   Washington, D. C. 20007.

2. In lieu of a financial statement, the information which appears below is submitted, pending Mr. Day's return:

   (a) The corporate bank account is maintained at
   First National Bank of Nevada
   Box 461
   Reno, Nevada 89504.

Other than the bank account, where only a relatively small sum of money is presently on deposit, the only asset of the corporation is the mining lease and option to purchase between The Golden Cycle Corporation and Bobcat Properties, Inc., dated to remain in effect for four years from November 2, 1970. The consideration at the time of execution was $7,500., with additional provisions in the future in the event of an outright purchase. [I believe you have a copy of this Lease and Option as a part of the file of material submitted with the OEM application].

3. The only bid for drilling presently in our possession is from Amberson Construction Company of Carlin, Nevada. Several others are pending receipt and will be sent to you. A copy of the aforementioned Amberson bid is enclosed.

When Mr. Day spoke with me from Johannesburg, he was most pleased to hear that the application for assistance had been referred to Mr. Stager.

Mr. Kirkemo, should your review of the file indicate a need for further information, won't you please let me know. We do wish to cooperate in supplying any data needed by you to meet the requirements of an OME application. Mr. Day will return to Washington about the 30th of December--and will be leaving almost immediately for Nevada for the inauguration of the new Governor--so, it is possible that the responsibility of coordinating will be delegated almost entirely to me. You can reach me at 223-4223, where I spend a great deal of time on the business of another of my clients.

On Mr. Day's behalf, I wish to extend to you and to your secretary, Mrs. Ault, best wishes for happy holidays. On my own behalf, those wishes are repeated.

Sincerely,

Barbara Wadsworth

Barbara Wadsworth, Secretary
BOBCAT PROPERTIES, INC.

Encls.

1. Letter from Mr. J. A. Frost, Nevada National Bank, rejecting application for a $100,000 loan for the purpose of mining exploration.

2. Copy of bid quotation on drilling from Amberson Construction Company.

CC: Mr. Phil Hulse, Mining Engineer
Pioche, Nevada 89043

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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AIRMAIL

DEC 2 1970

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada

The subject application is referred to you for further study, a field examination if warranted, and recommendations.

As you know, the Applicant assembled this material in a period of less than four weeks, and although not all of the information required is at hand, the prompt action to date is unusual these days. In the event of a contract, perhaps the work would proceed as speedily.

Mr. Rutherford Day, President, Bobcat Properties, Inc., will be abroad until sometime in January and it appears unlikely that we can get much information from his office before his return. However, we have or will ask for a list of the officers, a financial statement of Bobcat Properties, Inc., bids for drilling and bulldozing, and a legible geologic map to accompany the feasibility report by Mr. John R. Haigh, Senior Geologist, The Golden Cycle Corporation. Perhaps there is but one copy of the last item and it may be available from Mr. Philip Hulse, Consulting Mining Engineer for the Applicant, in which case you could review it at his office.

We note that the Applicant proposes drilling in two separate areas--northwest of the Atlanta Mine and between the Atlanta and the Bradshaw Mines., each at an estimated cost of $50,000. However, Mr. Hulse proposes drilling only in the area northwest of the Atlanta Mine at an estimated cost of $44,334. This difference in proposals has to be resolved, but it could best be done by consultation in the field.

We cannot comment on the drilling and bulldozing costs as bids are not available yet, but again there is considerable difference between the estimates submitted by the Applicant and Mr. Hulse.

Most important of the as yet unanswered questions is whether or not the potential of this property warrants an exploration contract. The previous OME project on nearby ground failed to disclose enough ore to justify issuing a certification, but are there any geologic clues to a much greater volume of low-grade material that could be mined, or to better grade material? If either of these possibilities exist, why did The Golden Cycle Corporation terminate its examination of the property and lease to the Applicant?

Harold Kirkemo (gla)

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo
130

HKirkemo/gla 12-1-70

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

December 2, 1970

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada

I discussed today by phone (223-4223) with Miss Wadsworth, secretary to Mr. Rutherford Day, President, Bobcat Properties, Inc., the need to furnish a list of the corporate officers, reply from Nevada National Bank, bids for drilling and bulldozing, a financial statement, and geologic map from Mr. Haigh's report.

When it became evidence from the conversation that a financial statement would involve much compilation, I advised Miss Wadsworth that we would defer requesting this statement now because Mr. Day is abroad. I discussed this matter with Mr. C. L. Martin, Solicitor's Office, before advising Miss Wadsworth. We may not have to request the statement when all of the material in the application has been reviewed.

The original of the geologic map probably is in Mr. Hulse's office and the Field Examiner may review it there.

Mr. Day is the president and sole officer of the company, and wholly supports its operations.

No!

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region II
Mr. Kirkemo

See letter of Dec. 14 '71 from Barbara Wadsworth.
Day — President
Wadsworth — Exec. V.P.
Edward Riggs — V.P.

HKirkemo/gla 12/2/70

MME Form 7
(2/63)

OFFICIAL FILE COPY

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DEC 2 1970

Mr. Rutherford Day
President
Bobcat Properties, Inc.
1730 M Street, N. W., Suite 606
Washington, D. C. 20036

Re: OME-6833 (Gold-Silver)
Bobcat Properties, Inc.
Atlanta Mine
Lincoln County, Nevada

Dear Mr. Day:

The application for assistance in exploring the subject property has been reviewed by the Washington Office and referred to Mr. H. K. Stager, Field Officer, Region II, Office of Minerals Exploration, U. S. Geological Survey, Building 2, 345 Middlefield Road, Menlo Park, California 94025.

The Regional Office will notify you if additional information concerning the application is needed.

As you know, on November 30, 1970, we requested a list of the corporate officers of Bobcat Properties, Inc., and a copy of the latest financial statement of the company. We note also that you will furnish a copy of the reply from the Nevada National Bank to your letter of November 18, 1970, and a copy of bids for drilling and bulldozing. Please submit this material in duplicate.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Mr. Philip Hulse
Consulting Mining Engineer
Pioche, Nevada 89043

cc: Director's Reading File
Mineral Resources
OME docket

OME Reading File
Mr. Kirkemo
OME RegionII

HKirkemo/gla 12-1-70

LAWRENCE E. SMITH
CONSULTING GEOLOGIST
1360 SECOND AVENUE SALT LAKE CITY, UTAH 84103
PHONE (801) 364-1018

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O. M. E.
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November 28, 1970

Mr. Harold Kirkemo, Chief
Office of Mineral Exploration
U. S. Geological Survey, Room 4460
Interior Department Building
Washington D. C. 20242

Dear Sir:

At the request of Mr. Rutherford Day and in support of his application for exploration assistance at a site in the vicinity of the Atlanta Mine, Lincoln County, Nevada, I enclose duplicate copies of my recent letter of recommendation to Mr. Day.

This procedure was made necesary because the original sent to Mr. Day in Washington went astray in the mail. I hope that the copies are sufficiently legible. If clarification or additional information is desired, please write to me directly during Mr. Day's absence abroad.

Very sincerely yours,

L. E. Smith

L. E. Smith

Enclosures

cc: R. Day

Copy to Region II

Nevada National Bank
Reno Branch / 1 North Virginia Street, P. O. Box 3099, Reno, Nevada 89505, Phone 329-0403

November 24, 1970

Rutherford Day
Matzkin & Day
1730 M Street, N. W.
Washington, D. C. 20036

Dear Mr. Day:

Reference is made to your letter dated November 18, 1970.

We are unable to qualify, under our current lending policy, your request for $100,000.00 for the purpose of mining exploration.

Yours truly,

J. A. Frost
Assistant Vice President
& Manager

JAF/re

Telephone
754-6782

P.O. Box 796
CARLIN, NEVADA

AMBERSON CONSTRUCTION CO.

Open Pit Mining — Minerals Exploration Drilling

JOHNNY AMBERSON

November 23, 1970

BOBCAT PROPERTIES, INC.
P.O. Box 175
Pioche, Nevada 89043

Attention: Phil Hulse, Resident Engineer

Dear Mr. Hulse,

My quotation on drilling is $5.95 per foot. I will furnish the bits, steel, down hole hammer and a Chicago Pneumatic Drill.

My quotation on drilling by the hour is $37.50. We furnish the steel and down hole hammer. The mining company furnishes bits and all drilling additives.

Either by the foot or by the hour, a charge of $5.00 per man per day subsistence will be made. $1.00 per mile mobilization to job site and return to Carlin. Carlin To Pioche - 325 mi

It will be necessary for $8,000.00 to be put in escrow in the Nevada National Bank in Carlin.

If there is any additional information needed please let me know.

Sincerely,

AMBERSON CONSTRUCTION COMPANY

Johnny Amberson

Johnny Amberson
Owner

Mr. Rutherford Day
Bobcat Properties
Suite 606, 1730 M Street
Washington, D. C. (N.W.) 20036

November 16, 1970

Dear Rutherford:

This letter is in response to your request for a program of investigation of the economic feasibility of the ore deposits in the Atlanta District, Lincoln County, Nevada. The priorities are based on my direct involvement in the efforts to bring about successful operations in the district in the past decade, and on my understanding that the area which you now control through lease and option includes all of the structural trend which includes the Atlanta Mine, the Bradshaw development, and other prospects.

The Atlanta structural trend is a major basin and range type fault with an unusual configuration accompanied by extreme brecciation, locally extensive silicification, and persistant gold-silver-uranium mineralization. The fault trend is about N 20° W in the vicinity of the Atlanta Mine, N 55° W at the Hulse (Minnie) Shaft 3,800 feet to the south and east, and about N 80° W at the Bradshaw Adit, which lies an additional 3300 feet to the south and east. At the Atlanta and Bradshaw exposures, Ely Springs dolomite (Ordovician) is in contact with Tertiary porphyritic rhyolite, with the dolomite on the northeast, the volcanics to the southwest. At the Hulse shaft prospect, the Ordovician Eureka quartzite lies to the northeast in contact with altered volcanics (?) to the southwest. The attitude of the contact is about 45° westerly at the Atlanta, vertical at the Hulse Shaft, and about 45° northerly at the Bradshaw Adit. The line of the fault is offset by east-west cross faults at least twice between the Atlanta and the Bradshaw by an apparent right-lateral horizontal displacement close to the south of the Atlanta and by a vertical displacement between the Hulse and Bradshaw prospects, downward on the south side.

The volcanic rocks are of two distince classes. One which seems to be associated with major breccia zones is a porphyritic, extremely fine grained rhyolite which, in very limited exposures, may be interpreted as pipe-like intrusives along the fault line preceeding major movement and brecciation. The other class is a nearly horizontally layered layered rhyolitic ash with a few included flow layers as at Greek Hill. More than 90 % of the volcanic rocks are on the southwest side of the fault.

Mineralization along the Atlanta Fault included intense silicification over a protracted period of time with recurrent fracturing and silicification; pyrite, which has since oxidized to iron oxides and sulfates, and gold and silver in very fine particles widely distributed. At the Hulse Shaft, green silver halides are visible in cavities, but elsewhere the precious metal content is invisible, although "flour gold" can be concentrated by panning.

The groundwater table is very deep; the rocks are drained to the depths of local valleys by the cavernous dolomite. The dolomite, particularly where it

underlies the mineralized breccia, has been extensively dissolved by the action of acidic solutions derived from the oxidation of pyrite. Unequal solution along the footwall of the breccia zone has resulted in open caverns and reduction of solid dolomite to dolomitic sand and residual silt. Such reduction in volume has caused the overlying breccia to collapse irregularly, creating a chaotic fragmentation of the breccia with a gouge-like matrix resulting from in-washing of silt from the erosion surface. In contrast, at the Bradshaw adit where the dolomite overlies the mineralized breccia zone, acidified ground water could attack only the relatively insoluble porphyritic footwall. The breccia zone, in consequence, remains relatively unbroken.

Drill exploration of the breccia zone has been largely limited to the Atlanta ore body, where it has been beset with such troubles as "stuck-steel and lost circulation. Recent "down-the-hole hammer drilling" for the Golden Cycle Corporation appears to have largely surmounted these difficulties, penetration having continued through most of the breccia zone in most of the holes and through all of the zone in a respectable minority of attempts. Apparently the considerable mass of the hammer directly behind the bit inhibits deflection during angular entries into successive breccia blocks, preventing excessive weaving and binding of rods in the hole.

Golden Cycle's hammer drill exploration confirmed the ore reserve estimates of the Atlanta Gold and Uranium, RFC, Camp Bird and Hoover Construction investigations, extending them to nearly 1½ million tons containing 0.16 oz. per ton of gold and 1.7 oz. per ton of silver between surface and 50 feet below the 200 ft. level. At present market prices of $37.50 per ounce of gold and $1.80 per ouce of silver, the gross value is slightly more than $9.00 per ton. Past metallurgical testing of totally inadequate scope showed gold recovery in cyaniding to exceed 95%, but silver recovery to be 35% or less, due in part to reprecipitation from solution. The short milling experience by Eugene Jordan Associates in 1966 produced recoveries of 0.138 oz. of gold and 0.17 oz. of silver per ton from very poorly selected near-surface breccia in which the silver content approximated 0.75 oz. per ton.

Golden Cycle's hammer drill hole (HDH) #26 discovered a body of mineralized breccia 400 feet to the north of the Atlanta ore body containing 0.08 oz. of gold and 0.86 oz of silver per ton average in a 30 foot interval underlying 12 feet of porphyritic rhyolite and overlying a dolomite footwall. The $4.50 per ton gross value is a noteworthy increase over the values in three other hammer drill holes nearer to the Atlanta ore body. Very little of the HDH#26 breccia zone crops out at surface due to the heavy cover of slough from 1000 feet of hill slope above to the east and, perhaps, due to bedded rhyolite ash cover.

In summary, the most inviting known targets along the Atlanta fault are the Atlanta Mine, the HDH#26 area north of the Atlanta Mine and the Bradshaw Adit breccia body. The Atlanta ore body is practically developed, requiring only metallurgical research to find a process yielding a satisfactory silver recovery, and benefitting by any nearby discovery of additional reserves. The nearby HDH#26 breccia body occupies the same structure but is essentially unexplored. The Bradshaw Adit ore body, more than a mile to the southeast, contains superior but narrower ore which is partly developed, requiring additional development drilling, trenching or adits to test northwest and southeast of the now known short extent.

COPY

of the breccia zone.

From this background, I have proposed the following procedure:

1. Test the Atlanta high-silver ore to find a method of adequate silver recovery. For this the proffered study by the U. S. Bureau of Mines at Reno may be most helpful, since the experts at this facility have pioneered new cyanidation techniques for the Carlin-type gold ores.

2. Develop the Bradshaw ore body, beginning with drilling of an area above the 500 foot northwest extension of the outcrop which apparently is buried under slough. This plan envisages two lines of 10 holes each at collar intervals of 50 feet, located to intercept the breccia zone at depths of 50 to 100 feet.

3. Explore the HH #26 area north of the Atlanta Mine, using a down-the-hole hammer drill, extending the known mineralization northward and downdip from that hole. The initial phases of this exploration should be eligible for exploration assistance through the U. S. Department of Interior, Geological Survey. The northward extent of the Atlanta fault on Atlanta Hill is at least one half mile, all of which is readily accessible. Drill roads and pads would be easy to bulldoze in the slough-covered terraine and drilling costs would not exceed $6.00 per foot in breccia or $2.50 per foot in the bedded volcanic overburden. If drilled to an average depth of 150 feet, the average cost would be about $3.70 per foot or $750.00 per hole, including site preparation, supervision, and cuttings analysis, sample assays, and mapping. An exploration drilling program to follow the fault with two lines of holes at 100 foot collar centers would comprise about 70 holes, explore 3500 feet of the fault trace, and cost about $50,000.00. Development drilling in sites off-setting ore and lean-ore discovery holes would be needed to block out ore reserves.

Very sincerely yours,

Lawrence E. Smith

Consulting Geologist

COPY

November 30, 1970

Mr. Rutherford Day President
Bobcat Properties, Inc.
1730 M Street N. W.
Suite 606
Washington, D. C. 20036

Subject: OME-6833

Dear Mr. Day:

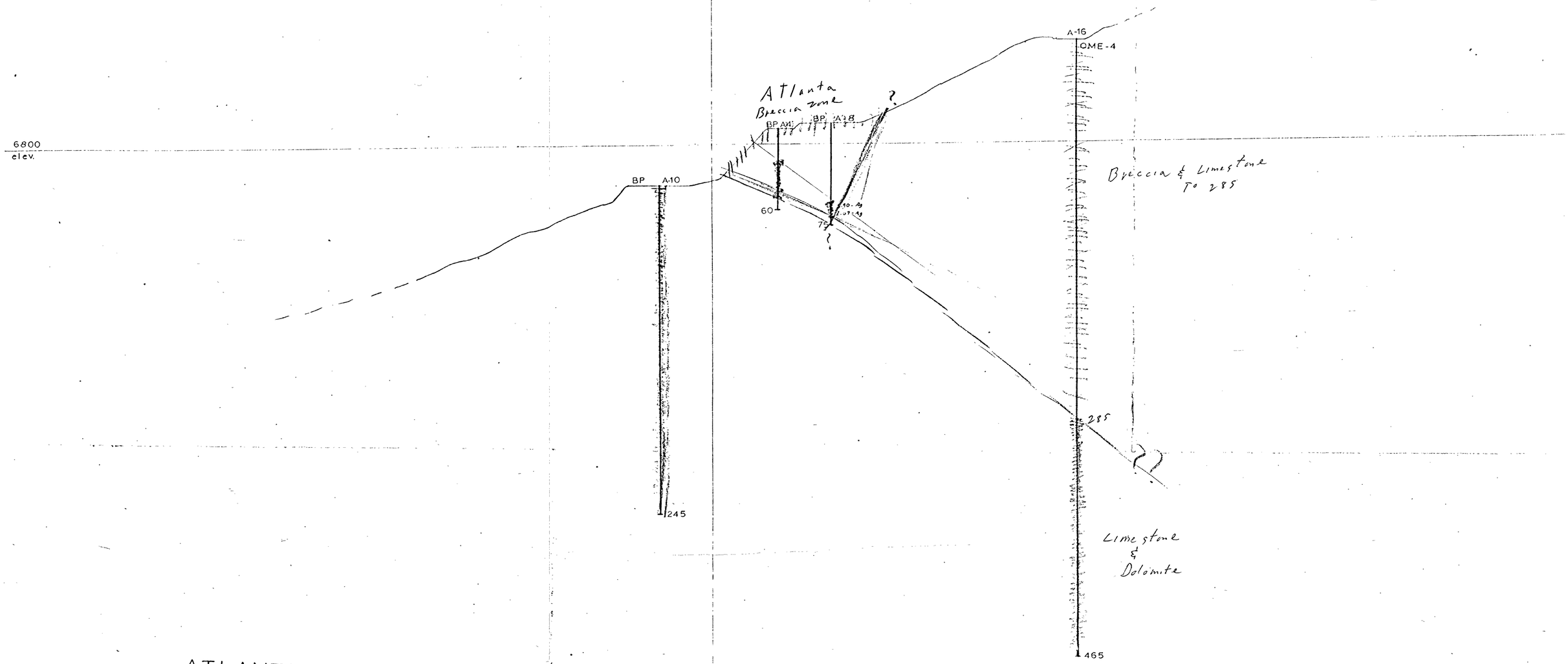
Your application for exploration assistance, dated November 30, 1970, submitted to our office at Washington, D. C., has been assigned Docket No. OME-6833.

Please identify all future correspondence relating to your application by this docket number.

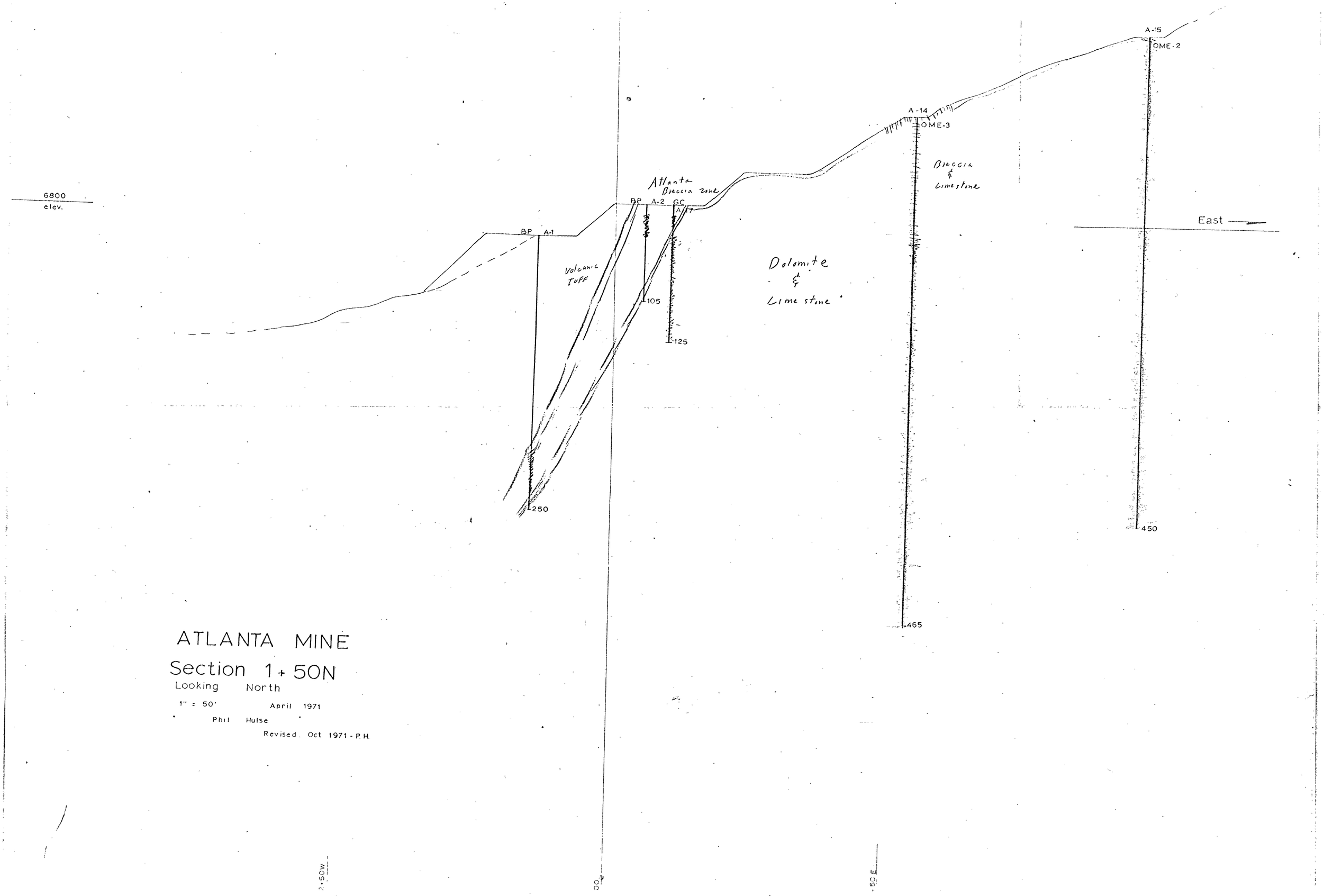
Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region III with
all attachments



ATLANTA MINE
Section 5+00N
(OME Line-2)
Looking North
1" = 50'
April 1971
Phil Hulse
Revised Oct 1971



ATLANTA MINE

Section 1+50N

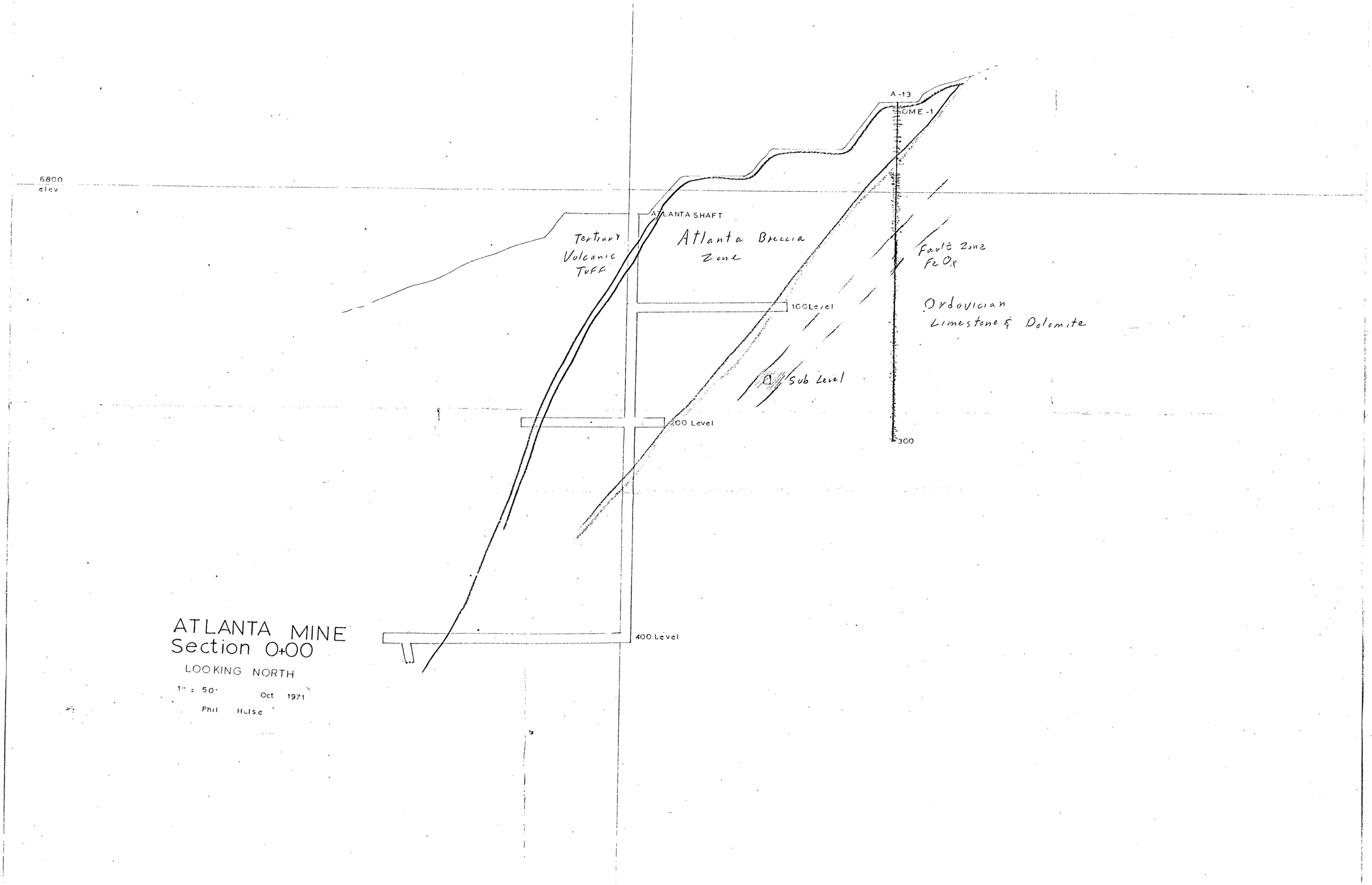
Looking North

1" = 50'

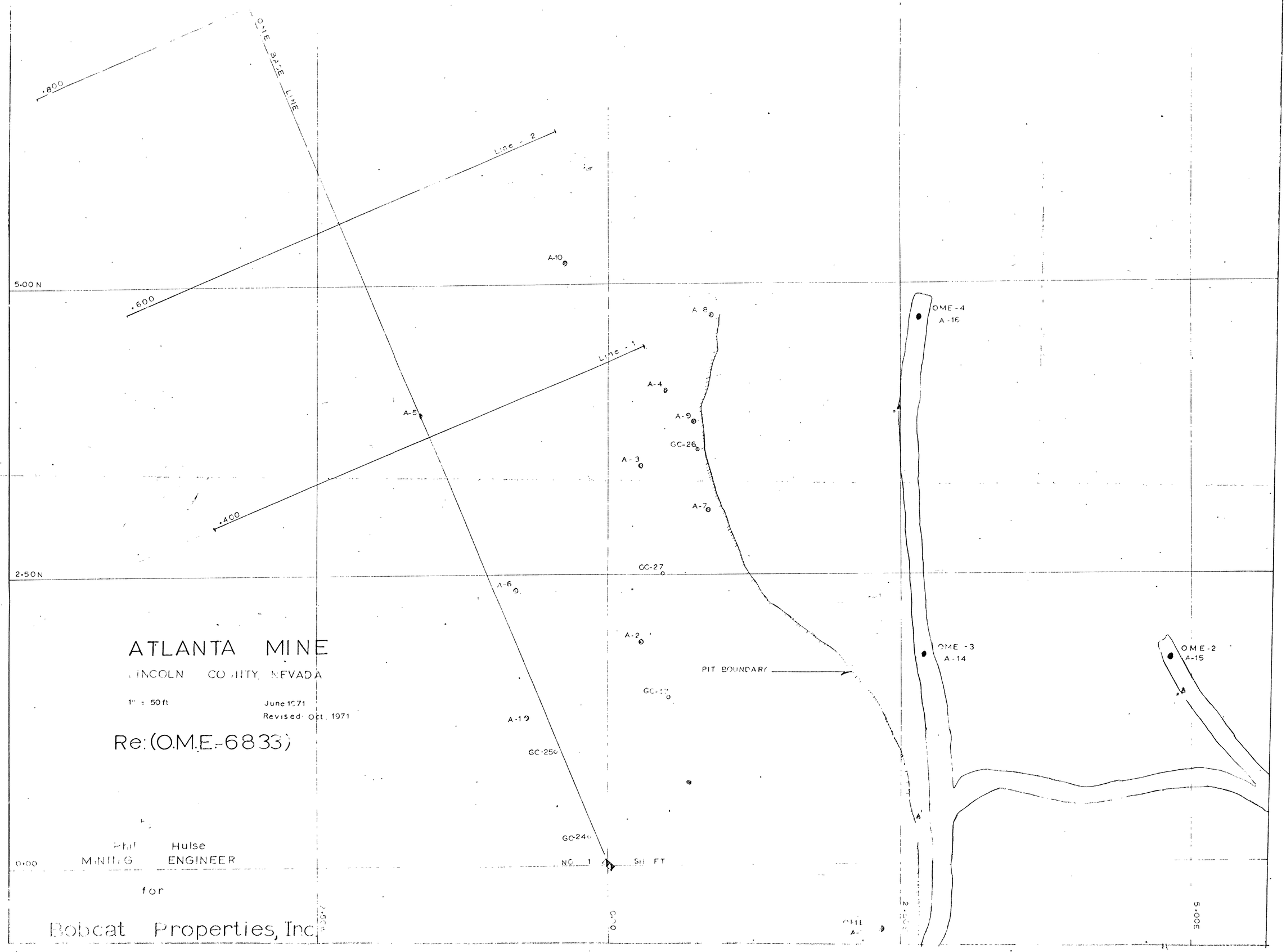
April 1971

Phil Hulse

Revised. Oct 1971 - P.H.



ATLANTA MINE
Section 0+00
LOOKING NORTH
1" = 50'
Oct 1971
Phil Hulse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A-4
A-9
GC-26
A-3
A-7
GC-27
A-6
A-2
GC-25
A-1
GC-24
NO. 1 SHAFT
PIT BOUNDARY
OME-4
A-16
OME-3
A-14
OME-2
A-15
ATLANTA MINE
LINCOLN COUNTY, NEVADA
1" = 50 ft
June 1971
Revised Oct. 1971
Re: (O.M.E.-6833)
Phil Hulse
MINING ENGINEER
for
Bobcat Properties, Inc.